Daily Report

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Berisha Views Foreign Policy, National Issues

AU0406060393 Tirana ATA in English 0834 GMT 3 Jun 93

[ATA report: "The Secret of Stability of Albania Lies First of All in the Freedom and the Free Man"—from the speech of President Berisha in the meeting with the people of Korce]

[Text] Tirana, June 3 (ATA)—In the course of his visits in the district of Korce, the President of the Republic Sali Berisha had a meeting with working people in the city Sport Palace. Taking the floor in this meeting, President Berisha said among others:

"It is a pleasure for me to come in Korce of patriotism, in Korce of the great patriots of renaissance, of the martyrs of Orman Cifligu and of the first Albanian school. It is a special pleasure to be in Korce which welcomed and supported Fan Noli.

It is a honour to come in Korce which made such a great contribution to the National Liberation War, Korce of the "National Fighter."

I have the pleasure to come in Korce of the plain workers, wise and skilled masters, of the honest and courageous traders, of the clever and industrious peasants, who all together took the road of emigration and formed most of the Albanian colonies of America, who in the past have so greatly helped in the efforts for the independence and the construction of Albania. Today, too, they are eager to help us.

It is also a special pleasure to be in Korce which sets an example of understanding and tolerance between the Moslem and Orthodox religions, which the communist dictatorship tried to ruin."

The Integration of Albania in Europe and the World—Main Orientation of the Albanian Foreign Policy

I think that during a year under the new government you elected through free voting, Albania and the Albanians have attained more than any time in their history regarding the political, economic, and social aspects. The most important objective of the new forces that came to power were the construction of the state of law and the market economy, opening of Albania and its integration in Europe, that is, a real revival of Albania and of the Albanian nation. For a year of freedom we could manage to open Albania definitely towards the world and the world towards Albania. During this year, Albania commenced a close cooperation with the European Community, where it have found a powerful support based on agreements signed with it; with the Council of Europe, where it was given the status of the observer; with NATO, where it was lately admitted associate member of the North Atlantic Assembly; with the IMF, with which a number of agreements have been signed; with EFTA and G-24; with the U.S.A., a country which has given a great political and economic aid to Albania.

Speaking about the Albanian foreign policy, Mr. Berisha said that a special and important place in this policy has been and will be given to the Balkan policy and to that with the neighbours in the region. In this policy we have not been led by the concept of creating separate alliances, but to establish understanding and friendship with all our neighbours. We are resolute to leave history judge misunderstandings and to create a climate of understanding, friendship, peace, and stability in the region. In this direction, our relations with Italy have been and will remain very good ones. This country has helped and is helping Albania during this difficult period. A special place take the relations of Albania with Turkey. They are developing in a spirit of understanding and full friendship. A great powerful Albanian community lives in Turkey and it is represented in all the structures of the Turkish state. This community loves Albania so much and is an important bridge between us. With Greece, our most ancient neighbour, relations are going towards a progressive improvement. The Greek people and Government have helped our country considerably and we are grateful to them. I am of the opinion that they can by no means be identified with those Greek chauvinistic circles that want to kindle the flames of enmity and misunderstanding between our two countries. I would also say that despite differences in official opinions regarding the crisis in the Balkans, our relations will develop and progress. We have and want to have very good relations with the former Yugoslav Republic of Macedonia, which should observe all the national and human rights and freedoms the Albanians of this republic should enjoy according to international documents. We have very good relations with Bulgaria, Romania, Slovenia, and Croatia. We have made and shall make efforts to improve relations with Montenegro. A great impulse in this direction were the high ranking visits exchanged during this period in all these countries. We would like to assure our neighbours that we are and will be for friendship, cooperation, and understanding. This policy stems from the vital interests of Albania and the Albanians, it stems from our determination to construct a democratic society, an Albania integrated in the region and Europe. Friendly relations have also been established with many European countries, not members of the European Community, such as Austria, Switzerland, the Czech Republic, Hungary, Poland, with friendly Arab countries, such as Egypt, Saudi Arabia, Kuwait, and many other countries. Japan, South Korea, and Malaysia have shown interest in our country during this time and we are grateful to them for the aid they have offered and are offering to Albania.

Our international relations have been greatly intensified during the latest months, president continued. In this aspect historical events may be considered the visit in April of his holiness, Pope John Paul II and the visit of the NATO Secretary General Manfred Woerner. A special event for us has undoubtedly been the associate member admission in the North Atlantic Association, which is a great real valuation of the policy of integration Albania is following, a policy which cannot be denigrated

by slanders of any kind. Cooperation, relations, and aid from the European Community, the Council of Europe, the International Monetary Fund, the World Bank have been intensified during the last months. By valuing the courage and determination of the Albanians, the Albanian Government and state to continue the road of reforms, to set up a democratic society in Albania, by valuing Albania as a factor of peace and stability in the region, these organizations and institutions have been ready to help Albania. They have increased the aid for Albania in form of donation, credits, and cooperation programs.

Solution of National Question—In the Center of the Foreign Policy

Our foreign policy has and will have as its main objective the correct solution of the national question. We are determined to make all efforts to establish peace and stability in the Balkans. I may say that Albanians are today one of the main factors of stability in the south of the Balkans. Although they are seven millions divided in five states, they are fighting and making all efforts for freedom, human and national rights, and are not demanding the change of borders through violence. Wherever they are, they have joined democratic political forces. Although over half of them are experiencing a savage oppression and denial of the fundamental rights and freedoms, they are resolute to use only peaceful means and democratic ways for the correct solution of their question. Today, they are the most threatened people, but also the most patient people. The cool headedness of the Albanians is due to their wisdom and their great strength and not to fear from the others. Let anyone who does not believe this see our history. At all times we have known and will know how to defend ourselves and to resist. But we have insisted and insist that the crisis in the Balkans cannot be solved without the complete observation of the fundamental national human rights and freedoms of the Albanians, according to the Final Act of Helsinki and the UN Charter. We once again address to the European Council, UN, the U.S.A. that now more than ever is the proper time to adopt concrete measures to avoid the displacement of the conflict in Kosova, which would bring about a Balkan war of tragic consequences for the entire region. We are of the opinion that the correct solution of the question of the Albanians of Kosova demands:

1. An objective valuation of the situation of the Albanian nation and the support through concrete solutions and means of the efforts of this nation for peace and stability in the region.

2. Immediate intervention of the European Community, the Security Council, U.S.A., NATO to the solution of the question of Kosova.

3. Conditioning of the sanctions and other measures against Serbia with the deployment of the NATO troops in Kosova.

4. Placing of Kosova under the full UN control as a neutral zone.

5. Conditioning of the lift of the embargo and sanctions against Serbia with the acceptance, on its part, of a political solution for Kosova.

6. Definitive solution of the status of Kosova according to the Act of Helsinki and international documents.

We declare that any delay in the application of this plan will be of catastrophic consequences for Kosova, the Balkans, and the entire region.

The Change of the State-Man Relations, Reliable Basis of our Stability and Achievements.

The economic reform in Albania, president said, is going on in graver conditions than any other country. An undeniable fact is that its fruits are completely significant, the economic situation in Albania keeps improving from month to month.

The secret of stability of Albania, I think lies, first of all, in the freedom and the free man, the consolidation of the values of democracy. Mr. Berisha said that freedom develops and is guaranteed by looking forward and never based on old methods, practice, copies, and stands. They all are part of the morale of the amoral state that is eliminated once and for ever.

It is precisely freedom that which has completely changed the state-man relations and precisely the change of this relationship is a reliable basis of our stability and achievements. In the past totalitarian society, the state was above the individual. While today, President Berisha said, we are creating in every minute, hour, and day the free owner, with his free work, first of all, for himself, his family, city, village, and country. He is the master of the house, master of the land, labour, tractor, shop, workshop, and he will be the master of factories and the entire Albania. In this aspect, the citizens with ownerships will be in dominant numbers in Albania.

The ruin of the former state-citizen relation and creation of the state with human dimension, where the free man is in the epicentre, brought about so many changes within a year that a state could not realise for many years. The greatest achievements in the political aspect of the change of this relation is the renovation among Albanians of our ancient traditions, to tell things as they are, to tell the state and anyone what we think openly, without fear and hesitation. Renovation of this tradition brings about a greater development and consolidation of the role of the man and citizen in society. This made possible for the citizen to govern his life and country not only through the free vote but also through open and direct dialogue, through free speech and initiative.

I am convinced that what we have realised in a year, President Berisha said in conclusion, are only the beginning and we are going to accomplish other tasks in the

future. We shall base the development of the country not on five-year plans but on the freedom, free initiative, on the industrious man.

Zhulali Holds Meeting With U.S. Senator

AU0306171293 Tirana ATA in English 1020 GMT 3 Jun 93

[Text] Tirana, June 3 (ATA)—It is difficult but not impossible to build democracy under the circumstances of tension in the region. This was the idea expressed in the meeting of the Albanian Minister of Defence Safet Zhulali with U.S. Senator Carl Levin on June 2.

The U.S. envoys appreciated democracy being established in Albania. As he put it, it is fragile, that is why it should be consolidated and protected at all cost. Zhulali and Lewin agreed on the great role of the Albanian Army in the strengthening of the defence and consolidation of democracy.

They both dwelt at length on the situation in the region and the conflict in Bosnia. They put emphasis on the need to find out more effective ways to prevent the spillover of the Serb aggression. Zhulali and Levin concentrated on the preventive measures to be adopted by international organizations in order not to allow the spread of the aggression in Kosova and broader. For the U.S. Senator Levin, a fiercer stand towards the conflict in Bosnia is indispensable. The observers present in the meeting understood it as a warning for a military action. Anyhow, the United States will act not alone, but it will be supported by the allies, Levin said.

Austrian Vice Chancellor Arrives for Visit

AU0306202193 Tirana Radio Tirana Network in Albanian 1600 GMT 3 Jun 93

[Text] Austrian Vice Chancellor Erhard Busek arrived in our country today on an official visit. A series of meetings with the country's high level personalities started at 1130 [0930 GMT] today.

Busek met with Deputy Prime Minister Bashkim Kopliku. The official talks focused on the course followed so far in Albanian-Austrian relations in the fields of economics, culture, science, and the ways and possibilities to expand and implement them, especially in economics, transportation, and tourism.

Our Austrian friend is expected to meet today with President Berisha, Prime Minister Aleksander Meksi, Foreign Minister Alfred Serreqi, and Democratic Party Chairman Eduard Selami. Along with bilateral relations, they will discuss international problems and particularly the situation in the Balkan region.

UK Foreign Secretary Hurd, Berov Sign Declaration

AU0306162393 Sofia BTA in English 1545 GMT 3 Jun 93

[Iva Toncheva report: "Bulgaria, Britain Sign Joint Declaration"]

[Text] Sofia, June 3 (BTA)—Bulgarian Prime Minister and Foreign Minister Prof. Lyuben Berov and British Secretary of State for Foreign and Commonwealth Affairs Douglas Hurd, who is paying an official visit here, and the delegations accompanying them held almost one-hour talks this afternoon at the Ministry of Foreign Affairs. Later Mr. Berov and Mr. Hurd signed a joint declaration between Bulgaria and Britain for deepening and further developing bilateral relations.

Mr. Berov and Mr. Hurd did not make any special statements on their talks. Bulgarian Deputy Foreign Minister Todor Churov told journalists that the two sides discussed bilateral relations, economic and trade cooperation, Bulgaria's integration to the European structures, the problems which Bulgaria has with the interim agreement on trade between Bulgaria and the European Community and issues related to international problems such as the situation in the former Yugoslavia. The two sides are expected to discuss the events in the former Soviet Union at dinner tonight. At the talks today the Bulgarian side expressed gratitude to Britain for its support in defence of Bulgarian interests and was promised further assistance.

According to the joint declaration signed today, Bulgaria and Britain will maintain regular exchanges between ministers and officials on bilateral and European relations, trade and economic matters and contacts between government and non-government organizations including local authorities, trade unions, legal and judicial bodies and between individuals, particularly young people. "We intend to encourage mutually advantageous economic and industrial cooperation, the setting up of joint ventures, cooperation between banks and cooperation in third markets," the declaration reads. The two sides declare their intentions to promote cooperation both on a bilateral basis and within the framework of international structures in the field of transport, power engineering agriculture, telecommunications, health care, tourism and environment protection. The two sides also intend to promote cooperation against terrorism, hijacking and organized crime, particularly drugs trafficking, money laundering and illegal dealing in cultural artifacts.

This afternoon Mr. Hurd visited parliament and conferred with National Assembly Chairman Aleksandur Yordanov. The replacement of the system in Bulgaria by legislative means, the guarantees for the stability of the state institution, Bulgaria's attitude to the crisis in the former Yugoslavia, the need to compensate the losses from the embargo, the political situation in this country and the possibility for holding early elections were the main issues discussed by Mr. Yordanov and Mr. Hurd. Mr. Hurd also conferred with representatives of the parliamentary groups.

Hurd Meets With National Assembly Chairman

AU0306205093 Sofia BTA in English 1943 GMT 3 Jun 93

[Text] Sofia, June 3 (BTA)—British Foreign Secretary Douglas Hurd today conferred with National Assembly Chairman Aleksandur Yordanov.

The tendencies in the democratic process in Bulgaria, the building of stable state institutions which will guarantee a stable market economy, and the real replacement of the economic system through law-making were on the agenda, the Parliament Press Office said. Laws in the following areas: the change of ownership, the land market and the reforms in banking, taxation and the judiciary, are essential to the economic and political changes, according to Mr. Yordanov.

The situation in the Balkans was also discussed. Mr. Yordanov set forth Bulgaria's position on the developments in the former Yugoslavia and the UN embargo, stressing that the issue of compensations for Bulgaria's losses should be addressed.

Asked by Mr. Hurd about the possibility of early elections, Mr. Yordanov said it was normal for post-communist countries to hold early elections, as was the case with Poland.

Mr. Hurd highly praised parliamentary cooperation between Britain and Bulgaria and expressed his readiness to help broaden contacts between the two parliaments, the communique said.

The British foreign secretary met with the leaders of the four parliamentary groups.

Mrs. Nora Ananieva, floor leader of the Bulgarian Socialist Party (BSP), familiarized the guest with the reforms in this country and the BSP's role in the strengthening of democratic principles through legislation.

The leaders of the parliamentary group of the Union of Democratic Forces (SDS) expressed concern over the restoration of communism in Eastern Europe. Asked by Mr. Hurd about the government's future and the possibility of early elections, Mr. Stefan Savov said parliament was blocked by the new correlation of forces and the SDS saw parliamentary elections as the only way out, says the communique.

At his meeting with the parliamentary group of the Movement for Rights and Freedoms (DPS), Mr. Hurd showed an interest in the ethnic minorities' condition, the DPS views on the cabinet and its political goals in parliament. DPS leader [as received] Yunal Lyutfi stressed Bulgaria had found a civilized, democratic formula for the solution of minority rights problems, which

is a guarantee of both internal and Balkan stability. As to the government, Mr. Lyutfi said its future depended on its commitment to democratic principles.

Mrs. Radka Vasileva of the New Union for Democracy put forward arguments for the group's support for the cabinet and elaborated on the group's role.

Recognizes Sacrifices for FRY Sanctions

AU0306205393 Sofia BTA in English 1954 GMT 3 Jun 93

[Text] Sofia, June 3 (BTA)—"The Bulgarian side has made clear, what is indeed indisputable, that Bulgaria is making heavy sacrifices as a loyal member of the United Nations in applying the sanctions and it is reasonable that the international and European financial institutions should take that into account when they judge what cooperation is suitable with Bulgaria," British Foreign Secretary Douglas Hurd said at a press conference here tonight. Mr. Douglas Hurd arrived to Bulgaria this morning on an official visit which is part of his Balkan tour starting from Romania and ending in Macedonia. "This visit to Bulgaria is important from our point of view," Mr. Hurd said.

Mr. Hurd described his talks with Bulgarian Prime Minister and Foreign Minister Lyuben Berov and his colleagues as good and thorough. He also conferred with National Assembly Chairman Aleksandur Yordanov and representatives of the parliamentary groups. At the press conference Mr. Douglas Hurd said that the talks discussed the relationship of Bulgaria with the United Kingdom, British investment in Bulgaria, the growth of trade, which Mr. Hurd said was still low, the relationship of Bulgaria with the EC and the British insistence that the community should open its windows to the East. The two sides will discuss the situation in the former Yugoslavia during a dinner given by the Bulgarian prime minister tonight.

Mr. Hurd said at the press conference that his interest in coming to Bulgaria was obviously not to say to the Bulgarian Government or parliament what the right road forward for Bulgaria was. But he made the point to the government and the opposition groups that there are three criteria by which the friends of Bulgaria will measure the kind of cooperation which is useful and possible: Parliamentary freedom, freedom outside parliament, including freedom of the media, and steady progress towards a market economy.

Asked whether he has any concrete proposals for alleviating the great economic difficulties Bulgaria is suffering as a result of the enforcement of the UN embargo, Mr. Douglas Hurd said that the IMF the World Bank and the two European Banks in their dealings with Bulgaria need to take into account the substantial losses of trade and income which fall on Bulgaria as a result of her application of the embargo. "That is a fair point which we recognize and will seek to apply," the British foreign secretary said.

Asked about the transport corridor through Serbia requested by Bulgaria, Mr. Douglas Hurd said that Prime Minister Berov had raised this issue today but that it was not a proposal he had had time to study. "I think it would be difficult to apply in practice but it is not for me to decide, it is for the Sanctions Committee of the UN to decide but I promise that it would be studied," Mr. Douglas Hurd said.

According to the schedule of his visit, tomorrow Mr. Douglas Hurd will meet President Zhelyu Zhelev, a meeting he said he is looking forward to with interest.

Holds Meeting With Zhelev

AU0406101393 Sofia Khorizont Radio Network in Bulgarian 0900 GMT 4 Jun 93

[Kalina Stancheva report]

[Text] In Sofia this morning, during the final four hours of his visit to Bulgaria, UK Foreign Secretary Douglas Hurd first visited the Boyana Church and then had a meeting in the British Embassy, after which the British foreign secretary was received by President Zhelyu Zhelev.

During a meeting lasting more than an hour, they discussed the political situation in Bulgaria, the situation in the former Yugoslavia and the Balkans, and other issues. Douglas Hurd praised in very positive terms the way in which Bulgaria was observing the embargo.

Regarding the progress of the reforms in our country, the British foreign secretary assured President Zhelyu Zhelev that Bulgaria would have Britain's support in every respect, even concerning compensations; although a decision on this was an international matter, Britain's position would be in Bulgaria's favor.

Speaking about the political situation in Bulgaria, President Zhelev gave an assurance that recommunization is out of the question; as for restoration, he said the answer is yes but a restoration of capitalism because the people are receiving back their property.

As to be expected, special attention was paid during the meeting to the situation in the former Yugoslavia, analyzing the situation there, discussing the possibilities for a solution, and reviewing relations between the Balkan countries.

The Bulgarian president raised the issue of the Georgi Markov case and received assurance that the British side would step up their efforts on the case.

A few minutes ago, the British delegation led by Foreign Secretary Hurd set off for Sofia Airport, from which it will depart in a few minutes for Skopje.

Zhelev Addresses Parliament on Crime

AU0306131093 Sofia Khorizont Radio Network in Bulgarian 1210 GMT 3 Jun 93

[Address delivered by Dr. Zhelyu Zhelev, president of the Republic, to Bulgarian National Assembly—live]

[Text] Esteemed Mr. National Assembly Chairman, esteemed members of the National Assembly leadership, esteemed ladies and gentlemen National Assembly deputies: I take advantage of my constitutional right to address you, being convinced that the fate of democracy in Bulgaria, to a great extent, depends upon our capability to cope with the crime wave which is submerging the country. [Chairman Aleksandur Yordanov interrupts urging journalists to leave the hall at this point].

Being distracted by party squabbles, we seem deliberately willing to ignore the fact that, over the last three years, nearly every Bulgarian family has become a victim of crime. People are afraid to walk in the streets at night. Their homes are more than ever exposed to crime, and fear prevails in numerous Bulgarian homes at night.

When crime is submerging the country, when people cannot be sure of their own health and safety, even in the center of Sofia and in other large cities, when old people in the villages cannot go to bed before having locked their doors, and are still not sure whether they will wake up well and alive, whether they will not be robbed and insulted the next morning, we cannot remain indifferent. When racketeers subject private businessmen and private entrepreneurs to moral and physical terror, and forcibly extort their honestly earned money from them, when motorized and armed gangs are robbing foreign tourists on the highways and taking away their cars, we cannot pretend that nothing special has happened and we cannot sleep peacefully.

What kind of private property can we restore and how could we develop the market economy in Bulgaria when people have no guarantees for the safety of their lives and property, when they have no guarantees that they can enjoy the assets which they have earned with their own honest labor and with the efforts of their families? What kind of international and business tourism can we develop as long as we cannot safeguard the elementary safety of the tourists? Look at the dramatic effect of the dry figures, which speak for themselves: Every three minutes and 20 seconds a theft was committed in 1992. The total number of thefts amounted to 174,623. Look at the crime news, look at the policemen's reports which tell us about vicious assassinations, brutal rape, and kidnapped children. Is this what we wanted to offer the people? Certainly not.

It is the basic duty of the state to guarantee the lives and property, the honor, and dignity of its citizens. A state which is incapable of performing this basic obligation cannot expect to be respected. It is no coincidence that some people have already declared: If this is democracy, we do not need it.

The drastic increase of crime shocks every society. Many reasons are causing this disastrous state of affairs.

As a matter of fact, it does not differ essentially in the situation in the other Eastern European countries, but this can hardly be a consolation.

The general mood in our country reflects the people's feeling of being abandoned by the state, their feeling that authorities do not exist. I have come here to the National Assembly in order to say that if we wish to restore the people's confidence in democratic changes, we must halt the growing crime rate.

All our efforts are required in order to achieve this goal. The National Assembly members, the executive power, the legal authorities, and all members of our civic society are called upon to join such efforts. I address you in the hope that you may, as soon as possible, create the necessary legislative prerequisites for combating crime effectively.

It is necessary to adopt a police act as soon as possible. You are well aware that the standing legislation on the police forces dates back to 1976 and has been adopted under different conditions. It is hopelessly outdated. The chief objective of a new Police Act is to create conditions for the police organs to exercise their powers in the interest of society.

The police forces should be in a position of guaranteeing law and order. The citizens' freedom does not eliminate, but on the contrary, enhances the necessity that the civil rights of the individual should be safeguarded in accordance with the Constitution and with international legislation.

It is necessary to provide guarantees for solid, professional leadership of the police forces. It should not be subject to political infighting and passions. Democracy is not anarchy and it would be suicidal for us, as a state, to permit policemen to become expiating victims.

It would be suicidal to send our defenseless sons against armed criminals and to release those same criminals, with dozens of pending cases, on the following day.

Esteemed ladies and gentlemen, will our society live to see the law on the reform of the judicial system become reality at last? Without a comprehensive legislative code of regulations permitting the police forces and the law courts to perform their duties efficiently, we shall remain the silent witnesses of inaction and of senseless acts of retaliation. As a matter of fact, a society cannot exist without justice. Important and essential amendments and addenda to the Code of Penal Procedure are required. Under the current state of preliminary proceedings, approximately 2,500 more new cases than are dealt with, are submitted to the National Investigation Service on a monthly basis.

Naturally, the percentage of undetected crimes is drastically increasing under such circumstances. Bulgaria is

the only country where, since 1990, all crimes are investigated according a single, extremely complicated, and ineffective procedure.

The investigators are incapable of coping with all the cases, they are in charge of everything, beginning with petty thefts to cases of misappropriation involving billions of leva. On the other hand, the police forces are denied the chance of collecting valid evidence for the prosecution of criminals. Thus, the connection between police and investigation organs is severed.

Corruption within the executive organs is particularly dangerous. We have no right to be naive. It is not sufficient to have honest people, ready to devote themselves to the struggle against corruption, which has become the cause of their lives. Let us give them the legal means and guarantees to do so. Thus, we shall restore the people's hope that our society will correct itself, because the worthy and honest people shall succeed, those who are working, who are not afraid to assume responsibility and risks, those who respect and observe the Law should be successful. We have no right to let despair get the upper hand.

Esteemed ladies and gentlemen National Assembly deputies, I hope I am not right, but lately I have the feeling that we are all living in isolation, abandoning ourselves to our own despair, to our fears, and concentrating on our power struggles. Have we forgotten the people who elected us? [sound of unrest in the hall].

For the sake of our citizens' safety and peaceful lives, I address you: I ask you to pass a law on a strong and responsible police forces. I ask you to pass a law capable of rescuing the judicial system from its current state of clinical death.

I ask you to vote for the necessary amendments and addenda to the Code of Penal Procedure, I ask you to create the prerequisites for an effective state apparatus, purged from corruption.

Any failure to act today is likely to prevent us from taking any action whatsoever tomorrow. Thank you for your attention. [hesitant applause].

Yugoslav Diplomat Summoned for Official Protest

AU0306170093 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 3 Jun 93

[Text] The Press Center of the Ministry of Foreign Affairs announced that Deputy Minister of Foreign Affairs Dimitur Ikonomov summoned Mr. Ilija Popovic, adviser at the Embassy of the Federal Republic of Yugoslavia—Serbia and Montenegro—to the ministry today. Ikonomov sharply protested against the 1 June incident, namely the explosion of a grenade on the grounds of the Bulgarian Embassy in Belgrade.

Mr. Ikonomov pointed out that, unfortunately, this is not an isolated anti-Bulgarian act, and that in recent months Bulgarian diplomats and their family members have repeatedly been the targets of hostile actions. This is a consequence of a campaign, which the Republic of Bulgaria did not provoke in any way, Mr. Ikonomov stressed.

The Bulgarian deputy minister of foreign affairs insistently demanded that the Yugoslav side adopt urgent measures aimed at guaranteeing the security of the Bulgarian diplomatic mission and its employees.

Havel Approves of Sudeten German Talks Proposal

AU0406060793 Prague CTK in English 1630 GMT 1 Jun 93

[Text] Prague June 1 (CTK)—Czech President Vaclav Havel believes that the government proposal to send second-echelon coalition party representatives to meet with Sudeten German organisations would put the talks on a reasonable level, on which it is possible to carry on a dialogue.

Presidential spokesman Ladislav Spacek told CTK today that Havel thought neither the government nor any other state body should negotiate with the Sudeten organisations. Havel had suggested sending a parliamentary delegation when he met German Chancellor Helmut Kohl recently, Spacek said.

Spacek added that Havel was in good condition after surgery to remove a subcutaneous growth and would return home Thursday [3 June], and possibly attend a celebration at Prague Castle Friday [4 June] if his health allowed.

Klaus Airs Views on Talks Proposal

LD0306135393 Prague CTK in English 1307 GMT 3 Jun 93

[Text] Prague, June 3 (CTK)—Czech Premier Vaclav Klaus today said that the negotiations with Sudeten Germans proposed by the ruling coalition on Monday should be no coalition talks, but a dialogue on another level aimed at blunting confrontational positions.

The Czech party should be represented by experts, historians, former politicians, trustworthy persons closely connected with politics, Klaus said.

Each of the four ruling coalition parties will name two representatives to the group, he added.

On Monday, May 31, Klaus told journalists that the ruling coalition parties had agreed to establish a working group to negotiate some unclear questions with Sudeten Germans.

He said the decision had been made in reaction to calls for talks with the Czech Government by some officials from the German and Bavarian governments made at the 44th Sudeten German Days in Nuremberg at the weekend.

Klaus Reports on Talks in Germany

AU0306164793 Prague TELEGRAF in Czech 29 May 93 pp 1, 3

[Interview with Prime Minister Vaclav Klaus by Viktor Krejci; place and date not given: "A Major Sign That We Had Called For"]

[Excerpt] [Krejci] Prime Minister, on Wednesday [26 May], during your visit to Germany, you took part in a conference called "Europe on the Road Toward Political Union." The press has not carried many reports on this visit; therefore, could you tell us something about your meetings there?

[Klaus] I am always disappointed by the way the press reports issues of fundamental political and foreign policy significance. Chancellor Helmut Kohl invited EC Vice President Leon Brittan, who is responsible for the EC's foreign policy agenda, and three prime ministers—Prime Minister Ruud Lubbers of the Netherlands, which is already a member of the EC; Prime Minister Carl Bildt of Sweden, which is about to join the EC; and the prime minister of a country that has just reached the gates of the EC. Chancellor Kohl delivered a keynote introductory speech. He lavished praise on the Czech Republic and made it clear that there is no reason for Vaclav Klaus not to be in Europe when others are, that there is no reason for Smetana's Vltava not to be in Europe when other things are, and that there is no reason for the Charles Bridge not to be in Europe when Rome's Spanish Steps are there.

Helmut Kohl's speech was the major sign that we have constantly been calling for. The degree of goodwill—both personal and with respect to the Czech Republic—was so considerable that it surprised all the press commentators there. Chancellor Kohl also said that on the same day that four countries—Sweden, Austria, Finland, and Norway—join the EC, negotiations should be initiated with another group of countries, beginning with the Czech Republic. He said that a mechanism should be sought to hold an annual European Community prime ministerial conference in which we would participate, and that a mechanism should be sought for involving Czech deputies in the European Parliament. These absolutely original ideas are causing a stir in Europe, but remain hardly noticed in our country. I think it will be possible to "sell" ourselves well in future speeches made in front of this important audience. [passage omitted]

Klaus Says Government Considering Wage Controls

AU0306201093 Prague CTK in English 2021 GMT 1 Jun 93

[Text] Prague June 1 (CTK)—The rapid rise in wages is having a negative effect on prices, profits and company competitiveness, but from a macroeconomic point of view these effects have not been felt yet, Czech Premier Vaclav Klaus said at a meeting of government ministers today.

Klaus said that preliminary figures for April showed wages in a select group of enterprises rising more in that month than from January through March, and all additional data tended only to confirm the rise. The ministers therefore considered an appropriate way to introduce wage controls, he said.

Klaus added that it was necessary to keep wages tied to prices as a long-term policy. We will need to devote the second half of this year to finding a new consensus with our social partners so that the elements of such a method of decision-making can be incorporated into a new general agreement in 1994, he said.

He pointed out, however, that when one began to break down the general problem of wage increases, every enterprise had a thousand and one reasons for it. A certain target will have to be set, but it is not possible to discuss details with every company, he said.

Klaus also pointed to the example of Germany, which bases its economic growth on the practice of increasing wages every ten years at a rate slightly less than the growth of productivity. The Czech Republic will accept this way or not accept it. We really have no other choice, whether we reach a certain consensus with all the citizens of this country or not, he said.

Ruml Comments on Border Agreement With Germany

LD0306162293 Prague CTK in English 1527 GMT 3 Jun 93

[Text] Prague, June 3 (CTK)—Czech Interior Minister Jan Ruml today said that the so-called readmission agreement between the Czech Republic and Germany would not be signed until the question of the Czech-Slovak border is settled.

Speaking before members of the parliamentary Defence and Security Committee, Ruml said that the Interior Ministry was preparing unilateral measures which it might introduce on the Czech-Slovak border as of July 1 if Slovakia did not respond to Wednesday's letter by Czech Premier Vaclav Klaus in which he called on Slovak Premier Vladimir Meciar to immediately sign a Czech-Slovak agreement on border crossings.

Ruml said that Germany was currently the only neighbouring country with which the Czech Republic had still not concluded a refugee agreement. He said that experts from the Czech and German Interior Ministries began discussions on a revised version of the readmission agreement yesterday and that similar talks were being held with Hungary. First contacts have been established also with Romania, he added.

Regarding the Czech Republic's visa policy, Ruml said that visa requirements have been already approved for all republics of the former Yugoslavia, except Slovenia. As of September 1 visa requirements would be introduced toward citizens of Romania. He said that the Czech Republic was considering resorting to certain regulative measures as far as Bulgaria was concerned, such as an invitation to visit the country or a certain amount of hard currency which a Bulgarian national would have upon entering the Czech Republic. Ruml said that the possibility of introducing visa requirements were also being considered in connection with ex-Soviet republics, excluding the Baltic states or Ukraine.

Broadcasting Council Elects Chairman

AU0306200793 Prague CTK in English 2051 GMT 1 Jun 93

[Text] Prague [dateline as received]—The Czech Council for Radio and TV Broadcasting elected Oldrich Tomek its chairman today, Council Office Head Ladislav Jakl told CTK.

Tomek, a historian, replaces Daniel Korte, who resigned May 27 saying that the situation around the Council had grown politically tense and that there were growing signs of the Council's role and independence becoming marginalised.

Tomek, who is 42, told CTK that he has never entered politics. He worked as a historian at the Institute for the Care of National Monuments before 1989, and afterwards as an analyst for the Civic Forum (OF).

Former Ministers Given Suspended Prison Terms

AU0206145593 Prague CTK in English 1140 GMT 31 May 93

[Text] Prague May 31 (CTK)—Two former Czechoslovak finance ministers, Leopold Ler and Jaromir Zak, each were today given a two-year suspended sentence with a probationary period of five years.

The Prague 1 Court found them guilty of abuse of the powers of public official and of assisting in the committing of a crime against foreign currency economy.

At variance with the then valid law and regulations, they asked for various amounts of U.S. dollars to be made available for the Moscow-based Fund of Assistance to the International Communist and Workers' Movement.

Ler, 65, did so in the years 1974-85 when more than 6 million USD were transferred to the fund. Czechoslovakia incurred a loss of about 36 million crowns.

Zak, 51, made available a total of 1,350,000 USD on two occasions in 1986 and 1987, and caused Czechoslovakia a loss of 7.8 million crowns.

When evaluating their guilt, the court followed from the fact that they themselves had not initiated the foreign currency transfers. In view of the fact that the leading role of the Communist Party of Czechoslovakia (KSC) was embedded in the constitution, the party's Central Committee could have ensured the payments to Moscow by other ways even if Ler and Zak had refused to cooperate.

Czech, Slovak Common Border Decision Delayed

LD0306162693 Prague CTK in English 1530 GMT 3 Jun 93

[Text] Zvolen, Central Slovakia, June 3 (CTK)—Slovak Premier Vladimir Meciar told CTK today he would take a stand on Czech Premier Vaclav Klaus's letter concerning the immediate introduction of border crossings on the Czech-Slovak border after he read the letter.

Meciar said he did not have the letter in his disposal at the moment and thus could not comment on it. The text of CTK's report is not enough for such a significant decision, Meciar said.

In his April 2 letter [as received], Klaus called Meciar to immediate signing of the agreement on border crossings between the Czech and Slovak republics. The Czech premier stressed that the agreement would not have a direct impact on the relations between citizens of the two republics because it concerns only nationals from third countries.

Meciar said a draft agreement on refugees between Slovakia and Hungary was currently being discussed by the Slovak Foreign Ministry and was not yet ready for signing. He said that Slovakia had already signed the readmission agreements with the Czech Republic and Poland, and was holding negotiations with Hungary, Romania and Ukraine. Slovakia is interested in concluding these agreements, Meciar stressed.

Kovac: Government 'Must' Meet IMF Conditions

AU0206151993 Prague CTK in English 1625 GMT 30 May 93

[Text] Prievidza, Central Slovakia, May 30 (CTK)—Slovak Deputy Premier Roman Kovac said he believed social peace would be preserved in Slovakia, though he admitted it would not be easy, in view of the fact that one-third of employees, or about 800,000 people, are superfluous in Slovak enterprises.

He told a public rally here yesterday that this information was included in an analysis submitted by entrepreneurs at a last session of the tripartite council (government, employers, unions).

Kovac also said that Slovakia is unable to restore the effectiveness of its economy without foreign capital because it lacks financial means.

He said that the International Monetary Fund (IMF) representatives, currently on a visit to Slovakia, praised the fact that Slovakia had rejected the IMF's extraordinarily tough conditions (no subsidies to the mining industry, cuts in subsidies to agriculture, etc.) last February, which were based on figures on Slovakia's economy elaborated by former Czechoslovak institutions.

With regard to the fact that the expectations of a catastrophic development of the Slovak economy were not met, the current IMF mission will evaluate the real state of economics and propose certain measures, Kovac said.

This time, he added, Slovakia must accept the measures which will enable the country to get a loan of 500 million USD from the IMF and the World Bank. The money will be designed for the development of transport and environment-friendly systems. Kovac said he expected that after the granting of the loan is approved, foreign capital would willingly flow to Slovakia.

Meciar: State Ready To Help Defense Conversion

LD0306225993 Prague CTK in English 1936 GMT 3 Jun 93

[Text] Zvolen, central Slovakia, June 3 (CTK)—Slovak Premier Vladimir Meciar today said that the year of 1995 has been set as the deadline for conversion of several Slovak arms works to peaceful production.

He said armament producers such as PPS Detva, Vvusam Zvolen, ZTS Krupina and ZTS Hrinova would be turned into civil production companies by 1995 provided banks would fulfil their obligations towards them, which they are not meeting currently.

The state's help is indispensable here and this help will be given, Meciar said while addressing a meeting of arms industry representatives.

He said the Slovak Government would support conversion programmes if only because the technological level of weapons currently produced by these factories is low and they are not capable of producing armaments of world standards.

Meciar directed attention to the fact that at present each arms producer was trying to save itself on its own and that they compete with each other. An agreement on cooperation on the market should be concluded, Meciar stressed.

Meciar said that many kinds of armaments produced by the Slovak arms works are capable of standing up to competition on the world market but that manufacturers have not created a trade network.

Import Surcharges To Apply to Foodstuffs

AU0306201193 Prague CTK in English 1955 GMT 1 Jun 93

[Text] Bratislava June 1 (CTK)—The import surcharges which Slovakia plans to introduce will be applied to all imported foodstuffs, Slovak Minister of Land Management Peter Baco told journalists today after a government session.

Julius Toth, minister of finance, said the scale of import surcharges would be the same as before Czechoslovakia's dissolution. He said that the International Monetary Fund (IMF) agreed with their introduction during his April visit to Washington, and that he was convinced the General Agreement on Tariffs and Trade (GATT) would

also approve of the measure because of Slovakia's current favourable trade balance with the Czech Republic.

Import surcharges should be introduced as soon as possible, before it was too late, Toth said. He said Slovakia, unlike the Czech Republic, should consider its hard currency expenditures very carefully because it did not have large credits. He said the second reason for it was the fact that many hard currency payments remained in Czech banks.

Introducing import surcharges even for half a year will make possible precise economic calculations on the future of Slovakia's hard currency reserves, Toth said. He said the Slovak Government would discuss import surcharges at its next session.

Democrats '92, Democratic Party Merge

AU0206150993 Prague CTK in English 1931 GMT 30 May 93

[Text] Bratislava May 30 (CTK)— The Slovak Democratic Party (DS) and the Democrats '92 (D '92 for a Common State) decided to merge at a congress at Kovacova, Central Slovakia, yesterday, into a new Democratic Party.

In the nearest future, this party should merge with the Czechoslovak Understanding Movement. The DS Executive Committee also decided on closer cooperation with the Party of Conservative Democrats (SKD), DS Executive Committee member Peter Mattos told CTK.

Andrejcak on Military Academy Plans

AU0406062193 Prague CTK in English 0831 GMT 2 Jun 93

[Excerpt] Bratislava June 2 (CTK)—[passage omitted] Defence Minister Imrich Andrejcak says in an interview with SMENA (close to the HZDS—Movement For a Democratic Slovakia) that this year Czech students will complete their studies at Slovak military academies and will not enroll any more. He notes that Slovakia does not want to leave anyone in the Czech Republic, either, except for two dental surgeons in Hradec Kralove, east Bohemia. There will arise the need of restructuring military secondary and tertiary education. If we are not able to reorganise it on time, we will start the academic year later, he adds.

Andrejcak says that the executive board chose from four concepts the one which places all the first and second grades to Liptovsky Mikulas, north Slovakia. The school in Bratislava will be abolished and the Air Force Academy (VVLS) in Kosice, east Slovakia, will be preserved. [passage omitted]

Parliament Ratifies Agreement With EFTA

AU0206165593 Budapest MTI in English 1609 GMT 1 Jun 93

[Text] Budapest, 1 Jun (MTI)—With only one vote against and one abstention, the Hungarian Parliament ratified a free trade agreement with the European Free Trade Association and an agricultural agreement with Finland on Tuesday [1 June].

Cooperation Agreement Signed With Greece

LD0406105093 Budapest MTI in English 0918 GMT 4 Jun 93

[Text] Budapest, June 4 (MTI)—A cooperation agreement was signed at the Hungarian Ministry of Defence on Friday between Hungarian and Greek Armed Forces.

The document was signed by Ministers of Defence Lajos Fur of Hungary and Ioannis Varvitsiotis of Greece.

The agreement envisages cooperation in military training, Armed Forces' organization, and air defence.

Law Passed on Constitutional Ombudsman

AU0206165993 Budapest MTI in English 1949 GMT 1 Jun 93

[Text] Budapest, 1 Jun (MTI)—With 204 votes for, none against, and 20 abstentions, the Hungarian Parliament passed a law on the ombudsman on Tuesday [1 June], the official whose responsibility it is to examine and redress violations of citizens' constitutional rights.

The ombudsman and deputy ombudsman are elected by parliament at the president's proposal, with a two-thirds majority, for a six-year term. The ombudsman is responsible solely to parliament.

In addition, parliament may elect special ombudsmen to protect certain constitutional rights.

Parliament chooses the ombudsman from among lawyers with outstanding professional knowledge or at least ten years of professional experience.

Excluded from appointment as ombudsman is anyone who was a member of Parliament, president of the Republic, a member of the Constitutional Court, of the cabinet, a representative in a local authority, notary, prosecutor, professional member of the Armed Forces, or an employee of any party in the four years before the election. Ombudsmen may not hold any other post. Their payment is the same as for cabinet ministers.

Supplementary Budget Proposes Increased Deficit

AU0406062293 Budapest MTI in English 1449 GMT 2 Jun 93

[Text] Budapest, 2 June (MTI-ECONEWS)—The supplementary budget to go before parliament this weekend includes unchanged total expenditure and puts a freeze on 6 billion forints [Ft] of the 13.5 billion forints in general reserves, the deputy state secretary of the Ministry of Finance, Gyorgy Naszvadi, said on Wednesday [2 June].

The IMF insisted on these two conditions in the 18 month stand-by credit agreement expected to be signed this month.

The supplementary budget, which was approved at the government meeting last week, provides for a deficit of 215 billion forints for the year, up from the original 185.3 billion forints. The blow out in the deficit is a result of significantly smaller privatization income and tax revenue from financial institutions.

At the same time, the government proposes to allow 8-10 billion forints of the extra 50 billion forints applied for by government departments.

The government has already spent 6 billion forints from the general reserves of 13.5 billion forints so the budget blow out must be covered by a redistribution of expenditure.

Although weakening agricultural exports require less expenditure on subsidies the money liberated cannot be used to finance the deficit as the government plans to channel this money into the agricultural sector.

In practical terms the sole saving comes from debt servicing expenses which are 8-10 billion forints less than expected in the original budget. This results partly from a reduction in average interest rates on state securities. The fact that the issue of securities to cover the 1992 extra deficit has been delayed also results in a saving.

The government proposes allocating the 8 billion forints in savings from debt servicing and the 1.5 billion forints remaining from the general budget reserve to increase the subsidies to, among others, the higher education sector, the land office for compensation-related activities, the police, the ambulance service, and the Constitutional Court.

Parliamentary acceptance of the government's supplementary budget is uncertain, as the leading force of the three-party coalition, the Hungarian Democratic Forum (MDF) suffers an internal crisis.

Report on Suchocka News Conference

LD0306201993 Warsaw Radio Warszawa Network in Polish 1530 GMT 3 Jun 93

[Report by correspondent Marek Kassa on Prime Minister Hanna Suchocka's news conference in Warsaw 3 June]

[Text] Opening her meeting with journalists Prime Minister Hanna Suchocka said that the president's nonacceptance of the vote of no confidence in the government means that it will continue its mission, although under unusual conditions. Since there is no Sejm and the government has a duty to report on its work, this will now be done at news conferences.

Presenting the most important tasks of the government, the prime minister said:

[Begin Suchocka recording] The fundamental task of the government is to ensure stability of the economy, security of the state, and safety of the citizens, and the government is going to fulfill this task. In spite of this there is some anxiety as to whether the functioning of the country is not going to be hampered. Questions are arising, and reaching the government, about whether the situation will halt the transformations in Poland and whether it will reflect negatively on the economy, since it is well known that the Sejm had certain tasks to carry out and decisions to make which now will have to wait until a new parliament is appointed. [sentence as heard]

There is no cause for concern, although we shall not manage to do everything we had planned earlier. It will be possible to continue without delays the decisive majority of the government's programs about which I spoke in my earlier speeches, including in the Sejm. This is important since some of them are of great social and economic importance, while halting them would have had bad effects.

There is the question about what is now going to happen to the state enterprise pact. The no confidence vote and the resultant dissolution of the Sejm have made it impossible to pass the acts pertaining to the pact. But the enormous social weight of the decisions contained in the pact impels the government to put into effect immediately all those decisions of the pact which can be implemented by the government and individual ministries within the provisions of the constitution.

In particular, this concerns the idea of granting wide powers to employees in the process of ownership transformations of state enterprises. In the new political situation the Labor and Social Policy Ministry will maintain normal, legally envisaged contacts with trade unions and employers' organizations. But the unusual conditions under which the government is operating now make it so that these contacts can only concern emergency issues.

Coming back to the pact, I would like to emphasize again that in spite of the lack of legislative instruments we shall do whatever is possible within the existing law. Detailed—and in a sense emergency—solutions still require further work. We shall report about these in more detail in the next few days. Today we can only say that the program of financial restructuring of banks and enterprises will be realized in accordance with the earlier assumptions of the pact.

We have made decisions which will result in an easing of the conditions for state property leasing and the introduction of tax reliefs on investments, provided that the company earmarks at least 50 percent of its net profits for investment. Leasing mainly applies to transformations along the so-called liquidation road and is profitable for the workforce.

On the other hand, if an enterprise is privatized along the capital road, which envisions the issue of shares, then an important element inducing transformation should be a gratuitous transfer to the employees of a certain batch of shares. The Council of Ministers will soon adopt a resolution about this.

We have begun to train voivodship administrations and representatives of workforces, trade unions and experts. Between 10-20,000 people who will later participate actively in the implementation of the transformations provided for in the pact will be taking part in this. The training itself, which we shall continue over the next few weeks, is a great operation commensurate with the great undertaking which the pact is.

Another serious undertaking, which is also going to improve the efficiency of operation of hundreds of Polish companies and give their employees' clear prospects, is the mass privatization program. I have to note here that the lack of possibility of introducing the necessary acts may delay the realization of the program. Among other things the process of selecting companies administering the national investment funds and the funds' supervisory boards will be more complicated, because the Sejm has to appoint its representatives here. The government deems it its duty to begin implementation of the program. It will do everything possible in the present situation. After all, several hundred enterprises—I emphasize again—are waiting for the mass privatization program.

The process of selecting the administering companies and candidates for the supervisory boards will begin by September. In the next few months we shall appoint 12 of the 19 members of the selection commission, including its chairman. The government has already asked Solidarity and the Trade Union Confederation [OPZZ] to appoint its representatives to the selection commission.

By mid-September the Ownership Transformations Ministry will close the list of enterprises which will take part in the mass privatization program. The ministry is also working on a system of distributing share certificates. The point here is that all adult citizens, old-age

and disability pensioners who are entitled, and public sector employees should receive their certificates no later than early next year.

In order to speed up the process of ownership transformation, we also foresee the introduction of recently proposed privatization in instalments. It should increase, in real terms, the chances of Polish businessmen and managers for wider participation in transforming Polish companies.

Second, the government will continue the work connected with the necessary structural changes in industry and agriculture. Work is continuing on privatization and demonopolization of the petroleum industry and the distribution of fuels. This action is necessary for our refineries to become fully modern and for competition to reign in the distribution, which will lead to an improvement of the standard of services and to slowing down price rises. The Council of Ministers' Economic Committee has completed work on changes in the motor industry. The involvement of foreign capital there requires particular interest by the state, so that the industry will continue to modernize itself, but at the same time will create new jobs as it has happened at the Fiat-FSM [small car factory] in Tychy. Particular attention will be paid to regions under greatest threat and most strongly affected by the recession. It is these that the main elements of the industrial policy that is being worked out now should apply to. Mielec could serve as an example. Preparations are in progress there for setting up a special economic zone.

As far as agriculture is concerned, we are undertaking actions earlier than last year which are aimed at providing assistance to farmers whose farms have been threatened by the drought for the second year in succession. In order to be more efficient, the assistance should be addressed to specific farms which are suffering hardship because of the climate. The renegotiations of agreements with banks for credits from the agriculture restructuring and debt clearance funds should end within two months.

Third, the issue of unemployment. As you know the number of unemployed people fell in April for the first time in three years. But July and August are ahead, when the number of unemployed rises as school graduates enter the job market. From July, in regions under particular threat of unemployment, new investment incentives are to be introduced for businessmen who create new jobs. A thorough review is to be carried out soon of the regions with rising unemployment, in order to supplement the list of parishes benefiting from this regulation. Programs of public works, which have created 140,000 jobs so far, will also be extended in cooperation with parishes, as far as available resources allow.

Fourth, the government will continue work on reforming the social security system.

The draft of this reform has already been proposed for public debate. It envisions fundamental changes, based on splitting the present system into two tiers. The first would be a basic system, guranteeing pension benefits as part of elementary social security. The second would be an obligatory additional system, awarding benefits in proportion to the duration and amount of contributions paid. It would be complemented by a third, voluntary insurance system. Every citizen could pay an additional contribution, deducted from tax, which would result in an increase in his future pension. The state's obligation would thus be clearly defined and the conditions created for alleviating the increasing problem of financing pensions from the budget.

We are preparing solutions which will guarantee employees in the most difficult working conditions pension privileges, which would be based on a calculation of period of service more favorable for them. Of course, we will not settle these matters without parliamentary legislation; but we can use the time for public debate, as a result of which the future parliament will have a well-prepared bill which can enjoy broader social acceptance. We are presently waiting for the opinions of the leaders of trade unions and political groups to whom the minister of labor and social policy recently proposed the new system.

In the next few days, [Jacek] Kuron, the minister of labor and social policy, will bring together the experts who are to draw up the solution options. On the basis of these and other opinions, the government will start legislative work, so that the new parliament wil have specific bills. We also want to offer an entire bill amending the labor law, which—after three years' experience with the market economy—should at last be adapted to its realities.

Fifth, budget sector measures. Here we are talking about continuing work on the reform of this sector, on the one hand, and about ad hoc measures on the other. As regards education, the latter should include the target of guaranteeing recreational vacations for the largest possible number of children.

The Ministry of National Education adopted new principles this year regarding extra subsidies for vacations which are to help those in greatest need of assistance. In view of this we assume that despite the fact that our means are more modest than they were last year the number of children and youth benefitting from organized forms of relaxation will not be less than last year.

A new teaching program will be introduced in September in vocational schools. This will mean that students graduating from those schools next year will be better equipped for the situation which exists on the job market and will find it easier to get work.

In mid-June the team led by Minister Anna Urbanowicz which organizes the hand-over of primary schools to parishes will present a schedule for the work in hand and proposals for solutions which have been agreed between ministries and self-government representatives. They will include an assessment of the situation of those

parishes who have taken over schools, the manner in which those schools are being financed, and the settling of disputes over properties. The hand-over of schools to parishes should take place on 1 January.

Of course, the fundamental aim in the education field remains its institutional reform. It can only be carried out in accordance with the legislation but the government is elaborating its principles for the use of the future government and parliament. Fundamental changes will include a change in the legal status of teachers, embracing a change in the principles of remuneration, of employement and of working hours.

Sixth, it had seemed that the government, for the first time in several years, would have the possibility of preparing in peace a draft state budget for the following year. For it was around the budget—this common coffer of all citizens—that perhaps the greatest controversies arose in the past few years. And what usually happened was that either the government was not allowed to finish its work on the budget or the government began work after much delay, or it was forced to implement a budget which was not its own and to adapt the concept of its policies to suit the budget.

That is why this year we began work on the assumptions of the financial policy and the budget for 1994 quite remarkably early. The work was preceeded by a study of the methods for preparing the budget of which the result is the adoption of a new procedure of work.

However, we shall not be able to apply the new procedure to that part which depends on amending the budget law—for which the acceptance of parliament is essential.

Work on next year's budget is quite advanced and for the first time we began it—in my view—from the correct side bcause as our starting point we took economic and social aims, the implementation of which we consider to be essential next year and we wish to adapt our existing means to them.

It is obvious that there will not be more, and we do not want to deceive anybody that all needs will be met. A new approach, however, makes it possible to take different interests into account in work on the distribution of state finances. Earlier advancement of work will also make a broader insight possible in the proposed distribution of funds by representatives of various circles and social groups.

The new parliament will be able to start work on next year's budget with delay, but the amended procedure of work on the budget should result in a draft that will give the future parliament and government a reliable picture of financial capabilities of the state.

The prepared draft will also show—something that was lacking in previous years—the expected consequences of decisions made now for the state of the state treasury in coming years. After 10 months since the government program for improving public finances has been introduced, positive results are clearly visible. The efficiency of collecting taxes and tariffs has increased, though it is still not good enough. The completion of the restructuring of the taxation system is indispensable. A big operation of introducing taxes on personal income has been completed. This year's experiences should result in more and more efficient calculation of taxes for every taxpayer next year and in the years to come. We are facing another fundamental step in the reform of the taxation system. It will be the introduction of a tax on goods and services, called Value-Added Tax, from 5 July. All in all, it will create a modern and clear system, thanks to which the collection of taxes will improve. Let me remind you that the minister of finance will continue, in the coming months, preparations for the second stage of the reduction of our debts in the Paris Club. We also count on serious progress in negotiations with the London Club in the same period.

Putting public finance in order is closely connected with the draft regulation concerning public purchase, which is prepared by the government. We shall be ready to submit to the new parliament, immediately after the elections, a bill which provides in an integrated fashion for the manner in which public money is spent. We propose the introduction of unified and clear criteria of spending money, which should considerably reduce the risk of corruption.

Seventh, the bill on spending public money constitutes a part of an extensive portfolio of legal regulations, introducing reform of the public administration. Its fundamental purpose is to increase the citizens' influence on public life, on issues which directly concern individuals and local and regional communities.

There are a number of other areas in which the government and its ministers have many specific tasks to fulfill in the immediate future. I shall briefly list some of them.

A World Bank credit line negotiated by the government will soon be opened for housing purposes. Also, the so-called contract system will be introduced. This is a dedicated system for housing savings which makes possible the provision of mortgage loans cheaper than the World Bank credit line loans. The earlier we begin, the earlier it will be possible—after two or three years—to get such loans.

In the field of telecommunications: Until recently this was one of the most neglected fields. It is a field requiring great investments. In the immediate future several major projects will be commissioned. These include a north-south fiber-optic line and switching centers in Legnica and Katowice. Poland's third international exchange will be commissioned in Katowice. Modernization of the telephone systems will be carried out in more cities. All in all, these are investments worth hundreds of millions of dollars.

In the field of transportation: The Sejm has passed an act under which the construction of toll-charging highways

can be started. In June the transportation ministry will put forward plans for financing, building, and using such highways, and the principles for granting licenses for their construction and use. In August and September it will be possible to begin negotiations with potential investors. Talks with international financial institutions have already begun. This is a project worth thousands of millions of dollars and involving long investment periods, which opens up a market for a wealth of building materials and providing more than 100,000 jobs. [end recording]

Asked whether she is afraid of strikes, the prime minister replied:

[Begin Suchocka recording] Well, there will be strikes, they are a phenomenon of our life, and of course we are prepared for the fact that we will have these strikes. And just like we began our work—this government began its work with strikes, in fact it has been accompanied by them all along, so we could say we already have a certain know-how, I think, of working with strikes. [sentence as heard] Or perhaps I should say of collaborating with strikes. [end recording]

Hanna Suchocka answered about a dozen questions from journalists. She was asked, among other things, what she thinks about the protest from center-right parties which maintain that the State Protection Office [UOP] hampered the posting of posters announcing tomorrow's demonstration and even went so far as to threaten the use of force.

[Begin Suchocka recording] First, the UOP certainly could not threaten to beat anyone up. Second, I think, ladies and gentlemen, you have seen these posters, and if, let us say, you express the view that it is all right when posters which vilify and libel the president, the top state bodies, ministers, and the government, let us say, is supposed not to take any action in this respect whatsoever, then it seems to me that this is not that we...[pauses] Well, I mean this form is not the most appropriate form of communicating with the public. We believe that the opposition has every right and we are not going—I emphasize this again—to close down the opposition's opportunities or freedom of speech here, but within the limits provided by the law. Whereas every slander and defamation also must be treated within the limits of the law. [end recording]

Political Parties Prepare for Elections

AU0306104393 Warsaw PAP in English 1819 GMT 1 Jun 93

[Text] Warsaw, June 1—The National Political Council of the Peasant-Christian Party (SLCH) headed by Jozef Slisz instructed the provincial branches of the party to set up electoral staffs, the head of SLCH's national office announced Tuesday.

The SLCH had 11 MP's and 2 senators in the last parliament.

Also Tuesday, SLCH's Slisz conferred with the leaders of the Christian Democrats, Pawel Laczkowski, and the Conservatives, Aleksander Hall. The three parties favored a consolidation of cooperation between the parties which backed the Suchocka government. They also announced attempts to forge a broad coalition of reform-oriented parties.

The Social-Democracy of the Republic of Poland (SdRP) will have its candidate lists ready by the end of the month, according to the party's leader Aleksander Kwasniewski.

The leader of the Movement for the Third Republic of Poland (RTR), Jan Parys, will seek an electoral alliance with the Movement for the Republic of Poland (RDR) of Jan Olszewski and the Polish Action of Antoni Macierewicz, as well as with the Centre Alliance (PC). "I think that by next week the agreement on joint electoral lists and a coalition bloc will be ready," said Parys, ex-defense minister in the Jan Olszewski cabinet.

The National Council for Radio and TV announced Tuesday it has formed a special team to set down the rules of media campaign by political parties.

KLD Chairman Tusk on Future Elections

WS0306105693 Warsaw Radio Zet in Polish 0615 GMT 2 Jun 93

[Studio interview with Chairman of Liberal Democratic Congress [KLD] Donald Tusk, by Andrzej Woyciechowski; from the "Guest of Radio Z" program—live]

[Text] [Woyciechowski] What happened yesterday in front of the Sejm? I do not dare ask what happened in the Sejm itself.

[Tusk] In front of the Sejm, deputies were complaining that they were being treated with disrespect by guards and personnel. There is an air of decadence. The deputies still believe that they are at home; the Sejm administration believes that they are not. Nostalgia for the past hangs over the building. The deputies are thinking about different things. One can see the bright faces of those who are counting on success in the elections, as well as the faces of the majority of deputies who understand that their adventure with politics is over.

[Woyciechowski] Is this correct that up until the last minute a decisive majority of the deputies did not realize that the parliament could be dissolved? Were they so ignorant?

[Tusk] This could be entered as a chapter of the acts of madness and lack of responsibility in Poland, or rather the lack of ability to foresee the results of one's decisions. The lamentations of many deputies that they did not know and did not expect...[pauses] There was a large group of deputies which did not even know that such an outcome was legal. I can understand some politicians'

miscalculations. However, I cannot understand the deputies who do not know the basic provisions of the Little Constitution.

[Woyciechowski] Do you mean deputies who did not know that such an article existed in the Little Constitution?

[Tusk] Yes, those who did not know that the vote could—not that it was bound to—result in the dissolution of the parliament.

[Woyciechowski] What are the chances that the parliament's composition will change after the next elections, that a new Sejm will be better? Today, everybody is saying out loud that the last Sejm was bad and stupid. Can Poland afford a good Sejm?

[Tusk] This is a tough question. The Sejm was elected in free and democratic elections, and they were comprehensive and free because nobody revealed any violations. Thus, the parliament is a reflection of the atmosphere in society. I think that in Poland, like anywhere else in the world, there are several Polands. There is a Poland which voted for Tyminski; there is the Democratic Union's Poland; there is a Poland of alcoholism and poverty; as well as a Poland of success. This is why every Sejm is what Poland deserves. Mean and stupid people are often elected to the Sejm through coincidence, and this often spoils the Sejm's image, just like one rotten fruit can spoil a basket of apples. Even one stupid and loud deputy can give the impression that the entire Chamber lacks dignity. I do not know whether the future Sejm will be better; I only hope that it will be elected.

[Woyciechowski] Do you mean that there is a possibility that there will be no Sejm, or was this a joke?

[Tusk] I am not afraid of any bad moves on the part of bad people, or of dictatorial ambitions from President Walesa. Some prophets from the Central Accord claimed that the September elections will not be held at all. In my opinion, this is absurd. However, I can imagine a situation in which the new Sejm discredits itself much faster than the last one. Then, indeed, we will be in trouble. We will have to decide how to preserve parliamentary democracy without a will to elect a parliament. I hope that the new Sejm at least will not overstep the limits or discredit itself too soon.

[Woyciechowski] What was the main drawback of the last Sejm from the point of view of today?

[Tusk] I told you about this a moment ago. Deputies whose intellectual and moral qualities left much to desire, were vigorously acting just for show.

[Woyciechowski] Who was the Sejm's dumbest deputy?

[Tusk] I do not want to be malicious toward my colleagues and toward myself and say that enumerating these people would take too much time. I feel myself noble enough to refrain from naming anyone. What frightens me is the fact that there were entire committees that should not have received seats in the parliament.

[Woyciechowski] What will the new Elections Law change? What is the meaning of this 5 and 8-percent margin?

[Tusk] It would be wrong to create an impression in our people's heads that the new law will fix everything and make our political system similar to those of Great Britain or Germany. The new law will, by all means, eliminate all the petty clubs and circles, all those independent deputies. This will be very important with regard to the campaign itself. There will be no terrible fuss made by 40 elections committees on TV. Still, all the basic conflicts and misunderstandings will remain in the new Sejm, because seven, eight, or 10 of the largest parties will receive seats in the parliament. These large groupings are the basis of all the conflicts. A party must win 5 percent of votes, but very different parties will win these 5 percent.

[Woyciechowski] Knowing Poland's political pattern, do you think that new parties may emerge over the three months left before the elections? Can anyone form a new party with a new name tomorrow or in a week, win many votes, and make his way to the parliament? Or will we deal with parties whose names and programs are well known?

[Tusk] I am soothing myself, although I may be upsetting the listeners. During such a short campaign held during vacation time, there is no chance to promote a new product. This costs a lot of money and demands nice packaging in the sense of good candidates able to force their way into peoples' heads through the mass media. I do not believe in such an outcome. The problem of the day is whether large coalitions will be formed. This is a problem which is hard to solve today, although this would be a desirable situation. Every Pole would rather vote for two or three parties and be aware that some of them are suggesting the continuation of reforms and the curbing of inflation, while others are proposing more anesthetic measures and a prolongation of these dramatic processes. Large coalitions would be able to afford such (?elementary) elections. One question remains open: Will this be possible in the next elections? I am skeptical about this.

[Woyciechowski] The centrist and right-wing coalition is already being rigged up. Mr. Parys [former defense minister] came up with the initiative—the only one so far—to form a coalition of the PC [Center Accord], the RdR [Movement for the Polish Republic], the Polish Action, and his own group. Is there any possibility for such a coalition on the part of the present one? How likely is the coalition of the KLD, the Democratic Union [UD], and the ZChN [Christian National Union]?

[Tusk] Fortunately, his coalition is a far cry from ours. Whatever coalition we may form, it will be completely different from what Mr. Parys has proposed. My understanding is that one should be open to all solutions aimed

at rallying the pro-government groupings, even though a man with scarce political imagination, which ZChN deputy Marek Jurek is, said that this would happen only over his dead body. Although this was said on the spur of the moment, I would only welcome this kind of outcome. I am not inclined to run together with Marek Jurek, because he would waste everything that I would earn. As for our natural friends, the UD and the KLD, one should approach this question with a pocket calculator in order to figure out which option would bring us more votes—being in the coalition, or on our own. Extensive and quick public opinion polls will be necessary. It might well turn out that the KLD could ally with the Conservatives or moderate part of the PSL [Polish Peasants' Party]. This is a numerical and sociological rather than a political issue.

[Woyciechowski] To your calculator, you should also add the president's support. He has declared for several days now that he is ready to put his reputation on the line to support the current coalition, which will surely earn it more votes. Whom do you think President Walesa will support in the next elections?

[Tusk] To be sure, he will not support anyone if a pro-reform movement that is simultaneously pro-presidential does not emerge. Pro-presidential means one that would want to accept the president's offer, which might also be a problem. The president has proved that he is a great politician, capable of acting efficiently and responsibly in a crisis situation. On the other hand, his approval rating among the populace is not so big as to make a decisive impact on the election outcome. The very fact that Lech Walesa is inclined to give his support to some grouping or a coalition cannot be a guarantee for success.

[Woyciechowski] Do you think that Lech Walesa, with all his efficiency and clout, could manage to forge his own party even before the elections?

[Tusk] Although just about anything is possible in our country, this possibility is very unlikely. I do not think that Lech Walesa will take this chance, since the results of such an undertaking might fall short of expectations. In my opinion, he is more a man of efficient power than a man of huge popularity, which he probably realizes. I am counting on his efficiency after the elections, and will not overstate his role in the election campaign.

[Woyciechowski] What if the SLD [Left Democratic Union] and the PSL win most of the seats in the legislature? Is this possible?

[Tusk] I expect that these parties will at least repeat their election performance from last year, but fortunately, they are far from gaining 50 percent of the legislative seats. This is good and at the same time bad news for Poland—there will be no grouping with a 50-percent presence in the Sejm; on the other hand, these are the last two parties that I would like to see occupying so many seats. As divisions within the new Sejm will remain vague and one might have to resort to a minority coalition again, I believe that very much will still depend on Walesa. We all are well experienced in this. So every vote will be crucial and can determine what the next government coalition will be—left-wing, right-wing, or moderate.

[Woyciechowski] From what you have just said, I conclude that it is a coalition that will govern in Poland yet for several years, and that there is no way that one party can overwhelmingly win. How likely is it that the oncoming elections produce the same coalition that we have today? Can the fact of wielding power ensure or facilitate victory in the elections?

[Tusk] One of the main questions is whether a party manages to overcome the 5-percent threshold. For several parties this seems to be a sure thing, but not for the present coalition partners, which by all accounts will not make it to the legislature. For example, with all due respect for the Conservative Party of Aleksander Hall—which I would be so pleased to see in the Sejm, because it is a moderate and responsible right-wing grouping—it stands little chance of collecting the necessary votes. So I pin all of my hopes on the KLD and the UD, even though the results might not be astounding.

[Woyciechowski] Theoretically, is it better to participate in elections as an opposition party or a party in power?

[Tusk] Both options have their advantages and disadvantages. It is natural that a party in power automatically has more access to the media. The opposition's trump card is the reality, which everyone is so eager to alter. In the long run, all advantages are balanced by disadvantages.

[Woyciechowski] Will you run in the elections?

[Tusk] If I were a hypocrite I would say, like Waldemar Pawlak [leader of the PSL], that the party will decide on this. My candidacy will be most likely proposed in Gdansk. Personally, however, I do not look forward with euphoria to the next round of political campaigning in the next several months or years—this business very often brings no satisfaction. On the other hand, I would lie if I said that I did not want to run. Anyway, the decision will be made in a couple of days. The most important consultations—the ones with my wife—I am going to conduct today.

[Woyciechowski] When do you think a real election campaign—with the media full of politics, vicious attacks, and accusations—will start? When do you think this evil will befall all of us?

[Tusk] Almost all deputies asserted that they would conduct their campaigns with fair methods and without using aggression. One of them was the SLD leader, Mr. Kwasniewski, who pledged this publicly on television. I will watch how their promises square with reality. Entering the Radio Zet today, I noticed a poster saying that Professors Geremek [from the UD] and Skubiszewski [foreign minister] were secret police agents....

[Woyciechowski, interrupting] That poster is on the street and not inside the Radio Zet office.

[Tusk] Oh, yes. Of course, it is on the street. Anyway, this is when the meanest part of campaigning begins. One can only hope that people will reject it with disgust.

Investment Agreement Signed With Singapore

LD0306221493 Warsaw PAP in English 1743 GMT 3 Jun 93

[Text] Warsaw, June 3 - Poland and Singapore have signed agreements that open up road for economic enterprise, an official in the Polish Foreign Ministry said on Thursday commenting on the two countries' signing of an accord on the promotion and protection of investments.

Deputy Minister Andrzej Ananicz added that if the agreements concluded by Poland and Singapore are efficiently implemented, the trade between the two countries will prosper. Asked about a possible cooperation of the two states at markets in the former Soviet Union, Ananicz said that this requires a thorough analysis of those markets and added that, according to him, joint investments in south-eastern Asia might become a promising direction.

Singaporean Ambassador to Poland Tse-Kwang Hsu [name as received] called it a "big achievement" to form legal frames for cooperation of businessmen of the two countries. "There are no ethnic differences and religious conflicts in Poland," he said. "Now, businessmen of the two countries must meet and name concrete fields of cooperation," he added.

Apart from the agreement signed on Thursday, Poland and Singapore have so far signed a trade agreement, an agreement on aviation and an agreement on the avoidance of double taxation.

Officer Summarizes Russian Military Presence

LD0406090093 Warsaw Radio Warszawa Network in Polish 0600 GMT 4 June 93

[Text] There are still 2,600 Russian soldiers and 1,500 members of their families and civilian employees remaining in 11 localities and garrisons in Poland. The last soldier of the Russian Federation will leave our country in November this year, Lieutenant General Zdzislaw Ostrowski, the government plenipotentiary for the stationing of Russian soldiers in Poland, said. General Ostrowski said that by 17 June there will be no Russian soldiers left in the Wroclaw voivodship. They will still remain in Legnica, Poznan, Warsaw, Siedlce, and other places.

Let us recall that, since the end of the war, altogether 60,000 soldiers of the Soviet army have been stationed in 59 localities in our country.

Iliescu Briefs Press on Talks With Hurd

AU0206185793 Bucharest ROMPRES in English 1652 GMT 2 Jun 93

[Text] Bucharest, ROMPRES, 2/6/1993—At the close of the officials talk he had with the British Foreign Secretary Douglas Hurd, currently in Romania, Romanian President Ion Iliescu told the press that the visit Mr. Hurd was making in Romania had a special political importance and significance. The head of the Romanian state added that he mentioned during the said talks that the relations between Romania and the United Kingdom had a positive course in the past three and a half years, that Great Britain had had a constructive and active position as concerns the December '89 events in Romania, that it had backed Romania in the EC bodies. President Iliescu said that the visit of the British foreign secretary in Romania was a major political event in the development of bilateral ties. Ion Iliescu added that he discussed with Mr. Hurd about bilateral ties, the political will of the two countries to further them, to develop cooperation in European and international institutions. The developments in Yugoslavia were devoted an important place, the two sides stated that they were both interested to back the efforts of the international community to seek for a political solution to this conflict. Romania's president mentioned that the talks were conducted in an open spirit, that the relations between Romania and the United Kingdom were marked by esteem, friendship, respect.

For his part, Douglas Hurd mentioned that he had had "fruitful" discussions with the head of the Romanian state, and underlined that the main topics tackled were Romania's progress and willingness of Great Britain to back it in international bodies, and problems concerning former Yugoslavia, on which President Iliescu had a few remarks to make, said the British foreign secretary, in consequence of his recent visit to former Yugoslavia and high level contacts he had had there.

Vacaroiu Briefs Company Managers

AU0306195793 Bucharest ROMPRES in English 1728 GMT 3 Jun 93

[Text] Bucharest, ROMPRES, 3/6/1993—At a meeting with state-company managers in the Cluj County, Prime Minister Nicolae Vacaroiu defended the government's effort to set up a modern legislative background for Romania, capable to permit this country to relaunch its economy and successfully continue the economic and social reform.

The premier has informed that the Romanian Government forwarded to Parliament a draft law proposing the retirement of the age-complying unemployed registered as at 1 May 1993. He explained why the age limit for retirement could not be reduced: Such a measure would increase the inflationist strain on Romania's budget, the employed-unemployed ratio of 2:1 being very "tight" as it is and singular in Europe.

The premier warned that the cabinet was bent on putting order in the activities of state-owned companies and on demanding strict discipline in the manufacturing process, in financial dealings and contract commitments. He commented on the fact that in Romania among the registered companies at the moment about 20,000 were sham companies, most of which "manufacture" tax evasion, illegal dealings, black market operations. He expressed fears that some 70,000 state-owned companies have ventured into export-import activities without being staffed with foreign trade specialists. This accounts for Romanian products being sold at prices below world bench-marks, in onerous terms of hard cash payment, which seriously affects the country's revenues.

The prime minister also made public one of the tough measures the government contemplates to enforce with effect from 15 June in order to remove what is considered one of the main reasons for the financial blockage: Power supplies will be discontinued to companies owing debts to the National Electric Corporation (RENEL). A government committee has already been appointed to see that RENEL itself makes prompt payments to its fuel suppliers (coal, diesel oil, gas, water).

FSN Rejects Iliescu Criticism

AU0406105893 Bucharest CURIERUL NATIONAL in Romanian 27 May 93 p 3

[Statement issued by the Press Bureau of the National Salvation Front in Bucharest on 26 May]

[Text] In connection with the recent statements made by President Ion Iliescu, who characterized the parliamentary opposition as hostile and destabilizing, the Press Bureau of the National Salvation Front [FSN] is empowered to say the following:

1. The FSN expresses its regret and surprise at the latest presidential statements, which can only be considered as unconstitutional, instigating, and insincere.

At a time of great ordeal for our country, when the abuses of the administration, corruption, stagnation, restoration, misery, and dissension are constantly jeopardizing the life of people and society, Romania's president, who, according to the Constitution, must be the president of all Romanians and an equidistant factor of balance and moderation for the social and state structures, deemed it necessary to turn himself into the defender of an incompetent government and an ambiguous and ambitious parliamentary majority. This is not a president's constitutional mission; his very presence at a meeting of the state administration bodies runs counter to the provisions of the Constitution.

2. The FSN indignantly rejects the accusations according to which the opposition is guilty of blocking the government's activity. This government, which relies on a parliamentary majority in which, unfortunately, extremist parties have been admitted, was in a position to adopt the program, budget, and laws it wanted.

Consequently, it must account for the consequences of the application of this program, budget, and laws. The opposition could only warn—including through the censure motion—of the disastrous effects of the government's policy for the country.

In these circumstances, blaming the opposition, including the FSN, for the failures and mistakes of the government is an undemocratic attitude and an attempt to return to a propagandistic governing policy in which propaganda replaces reality.

3. The FSN is all the more surprised by the presidential attacks, particularly since it has always supported, along with other political parties, the few reform laws that the government submitted to Parliament. It supported them even more energetically than the parliamentary majority did and was at the head of the international actions aimed at obtaining most-favored-nation status for Romania and our country's integration in the Council of Europe and other European structures.

4. The FSN expects President Ion Iliescu to realize the seriousness of the current government crisis and to no longer denigrate the opposition but rather open up the road for a dialogue and understanding with it. Indeed, the opposition is the only viable governing alternative and the presidential institution cannot ignore such a reality, since it is the only one constitutionally authorized to facilitate a restructuring of the parliamentary majority and to form a new government—with clear backing—capable of implementing a true policy of reform.

Roman Stresses Reform Course of FSN

AU0406092193 Bucharest ADEVARUL in Romanian 28 May 93 p 3

[Interview with Petre Roman, president of the National Salvation Front, by Sergiu Andon; place and date not given: "There Was a Government of Reform Without a Political Movement for Reform"]

[Text] [Andon] You have just returned from Berlin. What did you do there?

[Roman] I attended the NATO Assembly's spring session.

[Andon] Why did you hurry back, when your delegation stayed behind?

[Roman] This is true. I came back because we are fully engaged in preparing for the party's extraordinary national conference.

[Andon] Are you looking forward to that convention?

[Roman] Of course, I have some emotions, but I am also quite confident. For us, the convention represents an important time for defining our doctrine and reiteration of our path, which should enjoy the support and endorsement of the party.

[Andon] There is a feeling that the National Salvation Front [FSN] regrouping has exceeded the requirements of a mere qualitative rearrangement.

[Roman] Since the distribution of the new party membership cards, which was an important event for us, we know that we have some 80,000 active members at the national level. I also believe it is very important to maintain our team and team spirit—that is, the reform team as we called it—with which we actually won the known clash during last year's national convention.

[Andon] There were many speculations about the party's new name. There was also some talk about a variant called "Party of Reform."

[Roman] This was the initial variant, but we want to remain a party for a very long time, for the eternity of the democratic civilized life in Romania, if one can say that. This is why the name would have been rejected anyway, since there are probably other parties that rightly consider themselves as promoters of the reform process.

[Andon] Are there parties totally opposed to reform?

[Roman] There are parties that use some kind of reform jargon and claim to be supporting the reform, while they are categorically against it. I am referring to the Socialist Party of Labor [PSM] and the Greater Romania Party [PRM].

[Andon] What is the boundary mark between reform and anti-reform?

[Roman] Reform means certain things. One should unhesitatingly embrace the meaningful reform characteristics with the conviction that this is the path we have to follow. These characteristics are generally well known; I am referring to economic liberalization, the liberalization of ownership rights, economic restructuring in general and industrial restructuring in particular, real local administrative decentralization, large-scale privatization—that is, the privatization of the big industry, and removing the barriers that are blocking economic initiative, while conceding that the government must assume certain priorities during the transition phase. It is here that those who are categorically in favor of reform begin to separate themselves from those who are still resorting to old solutions for the new age.

[Andon] I believe that an important target of reform is the unreserved market economy, with all its rules, risks, and sacrifices.

[Roman] Including the elimination of what is currently happening in the Romanian society, which is inadmissible—namely the maintenance of the monopoly. The maintenance of monopoly runs counter to the market economy principle and amounts to a violation—and a most serious one—of the market economy. To accept the interplay of spheres of influence and of economic interest networks means to corrupt the market economy. In an important book entitled "L'Europe Face Son Avenir? Que Faire?" ["Is Europe Facing Its Future?

What To Do?"] Maurice Allais, the 1988 Nobel Price winner for economy, wrote that the market economy per se is incorruptible and anything that smacks of spheres of influence, back-door deals, and so forth represents a violation of the market economy.

[Andon] You are actually saying that there are such monopoly-types of interest networks. Do you believe that they are exclusively present in the state sector or are they also to be found in the private property sphere?

[Roman] There is an intermingling here. People who in the past represented various transmission and transition links for all kinds of large-scale trade transactions, which started directly in the enterprise and ended at export, are now making up these networks. They basically rely on state enterprises, but their trading operations are private. The whipping boy of socialism, even of the Western-type socialism, was the public sector, as you very well know. Well, what happened was that the greatest corruption, the greatest waste of public money, and the greatest thievery, so to say, was in this public sector, since public assets can be manipulated by the administrative levers, meaning that they are in the hands of the executive power.

[Andon] What is the robot portrait of the FSN—which will soon become the former FSN—supporter?

[Roman] FSN will remain our initial name. We will not give it up. Having fought so hard to preserve this name and having paid so dearly for this victory, we are not going to give it up now. Nevertheless, we want to change the party's political name, so to say. A robot-portrait? This is an interesting question that I have not thought about. Our supporters are people with a certain dose of generosity and enthusiasm, animated by the desire to overcome hardships. They are people who believe in reform and the idea of the country's renewal through reform. This description applies to many young people and, I might say, to many valuable people who are truly subscribing to the need for renewal, reconstruction, recovery, and resurrection and who are attached to these fundamental values deeply rooted in the body of the Romanian nation and society. They know that they can and must implement these values, along with deepening the overall reform process. By joining us, they bring along a number of values that we know we can rely on.

[Andon] This is a nice portrait, but we also hoped to get a robot-portrait of interests from you.

[Roman] It is hard to draw such a portrait in today's Romanian society because most interests are in a process of constant change.

[Andon] Generally speaking, do you believe that a party should address itself to only a certain segment of the population?

[Roman] This is the classic approach. Nevertheless, I might say that in the Western societies one no longer talks about social categories being addressed by the parties.

[Andon] What is your opinion of the anti-corruption campaign?

[Roman] I see too many slogans here in relation to the actual ability to stop the corruption. What we are dealing with is the known corruption of the administration or officials whose duty it is to apply certain rules arising from various laws and other regulations, but who are doing this only if they receive all kinds of advantages, bribes, and so forth. This kind of corruption was very widespread in the past as well and is now something that citizens are confronted with quite often. However, the large-scale corruption pertains to commercial transactions and avoids the sphere of fiscal rules. This is where the big problem lies. Too many commercial, association, and other kind of contacts are being concluded today outside the law and amount to fiscal evasion, thus avoiding the need to pay the due taxes stipulated by law. This also covers those preferential contracts exposed by the press. Any preferential contract concluded with a certain company and backed by state guarantees without an auction having been held, without proof of competition, and without proper documentation that the best price has been negotiated out of a variety of offers, means nothing more or less than theft from public assets. Any undeclared transaction with products made in Romania that are then directly sold abroad, thus avoiding all kinds of fees and taxes, amounts to large-scale corruption. All these mechanisms, whose incipient forms I have also tried to combat, are prevailing today.

[Andon] Is it possible that certain political formations might stand to gain political capital in the long or short term from the ongoing discussions about corruption?

[Roman] I do not believe that. I believe that political capital, so to say, can only be gained by the political grouping that carries through a series of clear actions not only to combat but also suppress corruption.

[Andon] Is there a propagandistic consensus against your government and respectively the FSN, a kind of tendency to associate them with a period when the corruption established itself or dominated?

[Roman] There has been corruption. We admitted it. We even asked for a special or ordinary Parliament session to discuss the accusations brought against me, which caused us a lot of damage in the preelectoral period—accusations contained in the reports of the so-called Senate commissions. The Senate has received detailed answers to all issues mentioned in the respective reports—hundreds of pages of details that set things right on all points, whether they dealt with the sale of vessels, the railway contracts, and the Airbus plane affair, or with the allocation of villas and houses.

[Andon] Then, how come your attitude and the overall attitude of the FSN parliamentarians has not been consistent enough in asking these matters to be clarified to the end?

[Roman] Yes, I believe you are right here. Maybe it is not so much a matter of consistency as of insistence. We should have insisted more on finding an explanation for all these matters. As far as I am concerned, at the beginning I thought—to be frank—that the enormity of those accusations made the whole thing ridiculous. Well, it is not quite so. In a society where poverty is prevalent and people are vulnerable to such disinformation, more than consistency would have been required, namely insistence on the need to explain to the people that these accusations could not be proved.

[Andon] Therefore, you claim that no grouping can make political capital from the discussions and propaganda about corruption. How about losing such capital?

[Roman] Well, they might lose, although in the end the facts will speak for themselves.

[Andon] You claim you have some 80,000 members. Do they trust their party representatives and cadres in general?

[Roman] I believe the answer is yes. Their trust is linked to many other images, the true and incontestable ones acquired by our party through the people who represented them in government from 21 December 1989 until now. This capital cannot be eliminated or wiped out. It is the only true capital.

[Andon] There was a trend of thought, which was also shared by some of your party supporters, that you made a political mistake by staying in power at the most difficult time of the reform debut. Do you think you were wrong to do that?

[Roman] Aside from the fact that I made mistakes during my governing period—something which was quite inevitable, given the fact that there was a government of reform, but the political movement behind it was not reformist—there is no doubt that I would have stood only to gain by my nonparticipation in that very hard period of governing. Nevertheless, somebody had to do it. Destiny has decided that we should be those people, with all the erosion and hardships we had to suffer later because of it. Nevertheless, allow me to come back to what I said before: If we had had a defined reformist political movement behind us, our country would have been much further ahead than it is today.

Bank Governor Assesses Financial Position

AU0206185893 Bucharest ROMPRES in English 1521 GMT 2 Jun 93

[Text] Bucharest, ROMPRES, 2/6/1993—"Romania has the chance, in a relatively short term, by a sound economic policy and a better correlation to and collaboration with international finance bodies, to clearly improve it financial position abroad", said Mugur Isarescu, the governor of the National Bank of Romania, on a trip to Geneva which venues the proceedings of "The Economic Forum for Romania".

According to Mr. Isarescu, "foreign debt is still small, even extremely small compared to other countries in the area, we have a gold reserve which if activated can provide better credibility and I would dare say that we are able to overcome the most serious moment of the gap between imports and exports".

"The talks to be carried by Romania's delegation in Geneva have the top priority of convincing the potentials foreign creditors and investors to take the risk and come to our country for improving the flow of capital, an element which I further consider as vital for the future of reform and of the Romanian economy.

"Obviously, we would not elude our difficulties, among which I would mention the mechanism of payments which is still complicated, the fact that the money market does not go as we wish or the fact that the position held by the state-run banks, even if improved as compared to the previous 1990/1991 period, is yet quite precarious".

Emilian Ijidelea, the president of the Romanian Agency for Development, stated: "We will advance the programmes of reform considered by the Romanian Government in the process of transition to a market economy, the situation of the financial-banking system, the climate of businesses, the legislation regarding investments of foreign capital.

"We hope that by attending this meeting, we would be able to extend an extremely clear message regarding Romania's openness to the international economic community, as well as our wish to strengthen commercial relations and the attraction of foreign capital investments. We will also present the pledge taken by the government, by the Romanian authorities to further and speed-up the process of economic reform".

Foreign Media Bulletin: Balkan Crisis 4 June
WA0406160093

The following is an overview of current FBIS reporting on events in the Balkans. It supplements other FBIS reporting and consists primarily of selected summaries of longer reports. For reference purposes, serial numbers of the longer reports are provided.

SUMMARY

Opposition leader Draskovic reportedly tortured, beaten by police after arrest ... Macedonian Assembly speaker says Macedonia will accept deployment of U.S. troops on its territory ... FRY commander demands UN observers withdraw from airports ... Tudjman urges international supervision of Bosnian border with Croatia, FRY ... International mediators Owen, Stoltenberg meet with Bosnian Serb leaders.

POLITICAL

DRASKOVIC'S CONDITION 'SERIOUS' (Belgrade Radio, TANJUG, AFP): Serbian Renewal Movement deputies say condition of party leader Draskovic and his wife "extremely serious" because of "torture," beating by police during arrest, interrogation. Draskovic, arrested during June melee between party members and police in front of federal parliament building, reportedly "cannot move or speak" because of injuries to his arm, leg, back, and teeth. Belgrade judge denies BORBA report that Draskovic has already been sentenced to 60 days in jail. AFP reports Belgrade prosecutor urging Constitutional Court to ban Draskovic's party for attempting a "violent change of the constitutional order." Nis authorities ban planned rally by party. (AUO3O6145293, LDO3O6143993, AU0306155193, LD0406122093)

DIPLOMATIC

MACEDONIAN U.S. TROOP DEPLOYMENT (AFP): After talks with visiting U.S. senators, Macedonian Assembly Speaker Andov says Macedonia "willing to accept" deployment of U.S. troops on its territory. (AU0306203393)

UN WITHDRAWAL FROM AIRPORTS (TANJUG): Saying the "reasons" for deploying UN troops at FRY airports have been "changed completely" by UN resolution sanctioning use of force in enforcement of Bosnian flight ban, Serbian commander Panic calls for withdrawal of UN military observers from all FRY airports outside of Belgrade. (LDO3O6164293)

TUDJMAN URGES MONITORING OF BORDERS (Zagreb Radio): In letter to UN Secretary General Butrus-Ghali, Croatian President Tudjman urges "immediate implementation" of international supervision of Bosnian borders, including its border with Croatia. Tudjman also says he is willing to extend UNPROFOR mandate in Croatia on "basis of clearly defined guidelines" for implementing Vance-Owen plan, UN resolutions. (LD0406103893)

KARADZIC MEETS WITH MEDIATORS (TANJUG, AFP): After meeting with international mediators Owen and Stoltenberg in Pale, Bosnian Serb leader Karadzic says Serbs have "accepted" stationing of observers in Gorazde, investigation of all attacks on UN personnel. Owen, however, says "no significant progress" made at talks, spokesman says mediators "gave a flat no" tb Serbian suggestion that they "already have a separate state" in Bosnia. (LD03062O1293, AU0406115393)

MILITARY

SHELLING OF GORAZDE CONTINUES: Sarajevo Radio reports Bosnian Serb "offensive" on Muslim enclave of Gorazde "still under way," more than "300 dead" from seven-day attack. (AUO40612O893)

Owen, Stoltenberg, Karadzic Hold Talks

AU0406115393 Paris AFP in English 1141 GMT 4 Jun 93

[Text] Sarajevo, June 4 (AFP)—U.N. envoy Thorvald Stoltenberg warned Friday [4 June] warring Bosnians and Serbs against attacks on U.N. troops and relief workers ahead of a crucial U.N. vote on stepping up protection of Moslem "safe havens."

E.C. negotiator Lord Owen's spokesman Fred Eckhard meanwhile said that the Serbs had at a meeting in Pale told Owen and Stoltenberg that they already had a separate state.

The negotiators gave "a flat no to the Serb position that they have a separate state. They added it was unacceptable for the international community," Eckhard said. He added that the "primary principle is the sovereignty of Bosnia-Herzegovina."

Stoltenberg told reporters after he and Owen met Bosnian Government President Alija Izetbegovic that recent attacks in which five relief workers were killed, and two U.N. sentries were seriously wounded at Sarajevo airport, were "unacceptable."

Serb troops carried out the attacks according to U.N. officials.

"If it continues I'm confident it will have serious consequences to the attitudes of the United Nations, of the organizations there and of the governments of the countries they come from," Stoltenberg said.

He said he had stressed this in the meeting Thursday [3 June] in Pale, 15 kilometres (nine miles) southeast of Sarajevo, with Bosnian Serb leader Radovan Karadzic, whose nationalists have seized 70 percent of Bosnia from the Sarajevo-based, mainly Moslem government.

Owen said the Serbs in Pale were cocky and confident they had won the war.

"They think that everything has changed since the Washington meeting," he said about an agreement last month among the United States, Britain, France, Russia and Spain that supported the U.N. safe havens in Bosnia but was interpreted as ruling out Western military intervention.

The U.N. Security Council was to vote later Friday on sending additional peacekeepers to safe havens with explicit authorization to use force, including air strikes, as part of a plan to protect the estimated million Moslems and others in Sarajevo, Gorazde, Zepa, Tuzla, Bihac and Srebrenica.

The safe havens set up May 6 by the United Nations to protect besieged Moslems have failed to stop Serb assaults.

Fighting was continuing in Gorazde in eastern Bosnia, where Radio Sarajevo reported Friday that overnight two more Serb nationalist infantry assaults were repulsed.

Karadzic said Thursday he had ordered a ceasefire in Gorazde but he failed to agree to send U.N. observers there, U.N. commander for Bosnia Philippe Morillon said.

And Moslems and Croats, putative allies, are fighting in central and southern Bosnia. Izetbegovic, Owen and Stoltenberg were scheduled to meet Friday at Sarajevo airport with Bosnian Croat leader Mate Boban in an attempt to make peace.

Owen said the Serbs were "quite wrong" to think the West was not committed to protecting the Moslems.

He noted that the Bosnian Serbs were still subject to economic sanctions and pressure from their allies in rump Yugoslavia, itself under an international embargo.

"There are pressures on them from the international community and there are pressures on them even as far as the war is concerned. There won't be any final victory for any of the warring parties," Owen said.

He said: "The sensible Serbs know that the Moslem population having been forced to take up arms... will not give up."

Partitioning the country would just create a Palestinian type situation in the former Yugoslavia, Owen added.

Karadzic Meets With Morillon on UN Monitors

LD0306151293 Pale Radio-Televizija Republike Srpske Studio-S Radio in Serbo-Croatian 1300 GMT 3 Jun 93

[Text] In Pale today Serb republic president Radovan Karadzic and Phillipe Morillon, commander for UNPROFOR [UN Protection Force] in the former Bosnia-Herzegovina, discussed the further deployment of UN monitors along the demarcation lines between Serb and Muslim units in the former Bosnia-Herzegovina.

President Karadzic stressed after the talks that the Serb side is interested in the deployment of blue helmets along all parts of the front, not only in the areas where the Muslim positions are weak. Further efforts to demilitarize the disputed areas were agreed upon. This will result in a new round of meetings between mixed military groups.

After one year the question of the Lukavica-Ilidza corridor was raised. This corridor became a vital issue for the Serb side after Sarajevo airport was handed over to the UNPROFOR.

French Major Says Airport Snipers in Serb-Held Areas

AU0406120693 Paris AFP in English 1145 GMT 4 Jun 93

[Text] Sarajevo, June 4 (AFP)—Sarajevo airport remained closed to humanitarian flights for the third day Friday [4 June] with no date yet set for its re-opening, U.N. officials said here.

The U.N. High Commissioner for Refugees (UNHCR) said the earliest the airlift could resume would be Saturday [5 June].

A land convoy reached besieged mainly Moslem Sarajevo Friday, the first in three days. Sarajevo is supplied with food and other aid by the UNHCR by land convoys and airlifts as nationalist Serbs block most access to the city.

UNHCR suspended its humanitarian flights Wednesday [2 June] after two French legionnaires were seriously wounded by sniper fire at Sarajevo airport.

A U.S. transport plane had also been hit by a bullet Tuesday [1 June] while landing at the airport.

Foreign Legion spokesman Major Michel Marvie said the shots against the legionnaires came from east of the far end of the runway. This territory is Serb-held.

Serb forces are on the offensive, apparently targeting Western aid workers and U.N. troops here as well as the mainly Moslem Bosnian Government.

The airlift began last July and has continued with periodic interruptions due to fighting around Sarajevo airport. UNHCR chief here Tony Land said every take-off and landing in Sarajevo was "under battle conditions."

Serbs Continue Attacks; Assault French UNPROFOR Troops

AU0406072493 Paris AFP in English 0703 GMT 4 Jun 93

[Text] Sarajevo, June 4 (AFP)—International negotiators Lord Owen and Thorvald Stoltenberg were meeting here Friday with Bosnia-Herzegovina President Alija Izetbegovic at a time of deteriorating conditions throughout the war-torn former Yugoslav republic.

Safe havens set up May 6 by the United Nations to protect besieged Moslems have failed to stop Serb assaults. Fighting was continuing in the safe haven of Gorazde in eastern Bosnia, where Radio Sarajevo reported Friday that two more Serb infantry assaults were repulsed overnight.

Izetbegovic would also be holding talks Friday with Bosnian Croat leader Mate Boban in a meeting also attended by Owen and Stoltenberg.

Moslems and Croats, allies but fighting each other in central and southern Bosnia, have failed to sign an agreement drawn up on ending fighting in Mostar and on de-militarizing Sarajevo, where the mainly Moslem population is besieged by Serbs who claim their own state in Bosnia.

Radio Sarajevo quoted ham radio operators from Gorazde saying that authorities there appealed to the U.N. Protection Force (UNPROFOR) and the International Committee of the Red Cross (ICRC) to evacuate the wounded.

Bosnian Serb leader Radovan Karadzic said Thursday he had ordered a ceasefire in Gorazde but he failed to agree to send U.N. observers there, UNPROFOR commander General Philippe Morillon said in Sarajevo.

Serb troops have blocked both UNPROFOR observers and U.N. humanitarian convoys from reaching Gorazde, the only one of six safe havens where there is no U.N. presence.

Sarajevo, also a mandated safe haven, had small-arms fire overnight in its western suburbs of Dobrinja and Stup. There is shelling and sniper fire daily in Sarajevo.

Meanwhile, in central Bosnia tension was high between putative Moslem and Croat allies. Radio Sarajevo reported that on Thursday Bosnian Croat HVO army units attacked the village of Gomionica, near Visoko using UNPROFOR vehicles. The report could not be immediately confirmed.

In another development, the radio said that Serbs had opened fire on French UNPROFOR troops in Glicina, in the northwest region of Bihac. The French troops were said to have returned fire. This report also could not be immediately confirmed.

Serb forces have been attacking Gorazde, a region of some 70,000 people, 50 kilometres (30 miles) southeast of Sarajevo, since last Friday and were reported to have burned at least 42 villages and were shelling Gorazde itself.

The six U.N. safe havens are Sarajevo, the eastern regions of Gorazde, Tuzla, Srebrenica and Zepa, and the northwest region of Bihac.

Sarajevo Radio Reports Shelling of Gorazde, Maglaj

AU0406120893

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 1000 within its regular newscast carries several reports on the fighting in the republic.

Studio announcer Jasna Niksic says that the "enemy offensive on the free Gorazde territory is still under way. The tragic toll of the seven-day attack on the region is more than 300 dead and disappeared, [words indistinct] fled, and several hundreds of wounded." Further on in the report Niksic says that "intensive enemy attacks have continued this morning and more than 3,000 most destructive projectiles fell on the region yesterday alone." Correspondent Enes Musovic adds to this that "there is a state of alarm in Gorazde hospital, where there is no more room for the (?wounded) and sick, whose numbers are increasing all the time."

A largely indistinct report from the Information Center of the 7th South Operation Group says that "yesterday in Maglaj, there was constant shelling of civilian targets and nearby districts" and that "the center of the town and the (?Lijecnica) District were affected." Further on in the report it is said that "on the Tesanj battlefield,

mortars, howitzers, tanks, antiaircraft machine-guns, and antiaircraft guns fired at the defense lines."

"At 0530 [0330 GMT], the aggressor attacked the free Brcko territory with howitzer and tank shells," according to the studio announcer.

"On the Gradacac battlefield, this morning is marked by explosions of mortar bombs that Chetniks have been launching mostly from the district of Skorici (?and) the Gradacac industrial zone." the announder says. "The attacks in this region are gaining in intensity by the hour." A correspondent whose name is indistinct says that "as I report, mortar bombs are falling on the town center."

"The Kladanj region has been exposed to enemy artillery attacks during the last 24 hours," the announcer says. "Chetniks stationed in Jelacici were particularly active. They constantly pounded our defense lines from antiaircraft machine-guns, antiaircraft guns, and recoilless guns. Our defenders did not respond to these attacks. Morning hours are mostly calm in Kladanj with usual enemy provocations."

"There is sporadic shooting in the region covered by the Bosna Operation Group, that is, on the Zavidovici battlefield," according to the announcer.

"It is mainly calm in Konjic today," the announcer says, while correspondent Borka Rudic says in a largely indistinct report from Konjic that "within the last 24 hours, the aggressors activities from infantry and artillery weapons were registered on civilian targets and lines held by the members of the Army of Bosnia-Herzegovina."

A studio announcer says that "we have received a report from Sarajevo security stations on the security situation in the city. The Stari Grad Public Security Station reports occasional shelling of the commune. The aggressor launched two shells on the center of Stari Grad. We warn people in the region of Sedrenik that a sower of death [an MK-84 machine-gun] is active on the Spicasta Stijena. There is also a sniper who is shooting at Stari Grad from Trebevic. Snipers in the Centar Commune are shooting at Kranjceviceva Street and Trscanska Street. All other parts of Sarajevo are relatively calm."

Serbs Report Muslim Offensive

LD0306170493 Belgrade TANJUG Domestic Service in Serbo-Croatian 1418 GMT 3 Jun 93

[Excerpt] Cajnice, 3 Jun (TANJUG)—We have learned from Serb military sources that Alija Izetbegovic, leader of the Bosnian Muslims, has sent the following message via radio links to the Muslim leadership in Gorazde: "Your water source is in Cajnice, electricity in Visegrad, and food in Ustikolina, and now you see what you must do."

It is precisely under this motto that for eight days the Muslims in Gorazde have been launching attacks of unabated intensity on all positions of the Serb army around the town, trying to establish corridors toward Sarajevo and the border with Yugoslavia. The Sarajevo-Sandzak "green highway" runs along that line as well.

According to Serb military sources in Cajnice, reinforced by the Guards' Brigade of the General Staff of the Serb republic army, last night, units of the [Serb] Cajnice Brigade repelled several strong attacks from the direction of (Oglecevo) from which fire from large-caliber artillery pieces is being opened on positions of the Serb army.

This morning, reconnaissance units of the Cajnice Brigade discovered a major concentration of fresh Muslim army forces in the areas of Trebesevo, (Gostun), and Zapljevac.

With powerful strikes, Serb artillery inflicted losses upon and silenced the Muslim artillery in the area of Trebesevo, while Muslim forces are again trying to capture the strategic points of (Carevo Gumno), (Medena Glavica), and the Kozara mountain pass, which was the main artillery target last night.

The fighting is raging on unabated in the Trebasevo-Kozara-Carevo Gumno line. Serb military sources have reported that two Serb fighters have been killed so far in the fighting. One Serb soldier has been seriously wounded, and three lightly. According to Muslim radio, 35 Muslim soldiers have been killed and more than 80 wounded. [passage omitted]

Muslim Forces Launch Attacks on Doboj Battlefield

LD0306140993 Belgrade TANJUG Domestic Service in Serbo-Croatian 1254 GMT 3 Jun 93

[Excerpt] Banja Luka, 3 Jun (TANJUG)—Muslim forces have launched fierce offensives on most of the battlefields in the zone of responsibility of the 1st Krajina Corps, the corps' press center stated in Banja Luka. According to this source the offensive is particularly fierce on the Doboj battlefield, where Muslim units are trying to push back the Serb defenders and gain control of commanding positions in order to make an attempt to seize Doboj. Shells are hitting the very center of Doboj. The fiercest attacks have been launched from the Barakovac, Sadic Rijeka, Kriz, Okrugli Kamen and Kabela areas.

Muslim forces have also launched artillery attacks on the districts of Lipac, Jesava and Plana from the direction of Krasevo and Matuzici. Muslim units around Doboj fired about 100 shells on the broader area of Kraljica, Josavac and Donja Bocina. [passage omitted]

Bosnian Croats Say Aid Delayed 'for Security Reasons'

LD0306231793 Zagreb Radio Croatia Network in Serbo-Croatian 2200 GMT 3 Jun 93

[Text] About 500 trucks with humanitarian aid are waiting in Ploce, Ljubuski, Grude, and Tomislavgrad, it has been announced in the Office for Refugees and Displaced Persons of the Croatian Community of Herceg-Bosna. The office has recently allowed unhindered transport of aid to threatened civilians, but the trucks have not yet left for Kiseljak, Busovaca, Bugojno, Vitez, and other destinations for security reasons.

Government Confiscates Ship for Violating Sanctions

LD0306220193 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 3 Jun 93

[Excerpt] The Croatian Government today issued a statement on the escorting of the Blue Cloud tanker from Malta to the Gruz port, about the confiscation of the ship and its cargo, and about the punishment of the responsible crew members for violating a United Nations Security Council resolution and laws of the Republic of Croatia. The statement says inter alia:

The Blue Cloud tanker—owned by a shipping company in Malta and carrying diesel oil—was sailing from Greece to an unspecified place. After the change of captains, the ship continued its journey—allegedly to its final destination of Koper. Because it deviated from its route, NATO forces escorted the ship to the Italian port of Brindisi on 23 May. The ship then continued its journey and was once again caught deviating from its route on 26 May. The ship was stopped by a NATO war ship in the territorial waters of the Republic of Croatia and was escorted to the port of Gruz.

An investigation carried out by the Croatian Ministry of Internal Affairs and the customs administration established that the cargo was destined for Serbia and Montenegro. With this action, the ship command has violated several UN Security Council resolutions. Therefore, the Dubrovnik customs authorities have decided to confiscate the ship and her cargo temporarily.

By a decision of the commission for customs irregularities of the Dubrovnik customs authorities, the following have been declared guilty: the captain, the cargo escort, and a sailors' representative. They have been fined 16 billion, 300 million Croatian dinars. The tanker and her cargo of oil have been confiscated. The decision has not yet become effective. [passage omitted]

Tudjman Supports Extended UNPROFOR Mandate

LD0406103893 Zagreb Radio Croatia Network in Serbo-Croatian 0800 GMT 4 Jun 93

[Text] President of the Republic of Croatia Franjo Tudjman has sent a letter to UN Secretary General Butrus Butrus-Ghali. In it he stresses his support for all the efforts the United Nations has invested in putting an end to the war on Croatian soil. He invites the secretary general to visit the Republic of Croatia.

In his letter President Tudjman stresses that Serbian aggression against the Republic of Croatia, a UN member, continues in the protected area. In recent days armed provocations and attacks on Croatian towns have been on the increase. In the protected areas terror against the Croats and other non-Serbian populations has intensified, in the course of which several thousand volunteers from Serbia have been the most active element.

The Serbian side has unilaterally abandoned negotiations between local Serbs and representatives of the Government of the Republic of Croatia. There are even reports that tomorrow in the occupied town of Petrinja there will be a debate on calling a referendum on unification of parts of two sovereign UN states, the Republic of Croatia and the Republic of Bosnia-Herzegovina, into a greater Serbia.

In his letter to Butrus-Ghali, President Tudjman stresses, as the second point, that increasingly vocal demands and statements are being made in the Assembly of the Federal Republic of Yugoslavia to the effect that Yugoslavia must reconquer Prevlaka, something that does not indicate stabilization but rather open threats and territorial claims on the Republic of Croatia.

The dramatic situation in the Republic of Bosnia-Herzegovina has also been deteriorating. In addition to a large number of civilian and military casualties there is also an increasing number of casualties among members of humanitarian organizations and UN Protection Force soldiers. There is no respect for the established humanitarian corridors so aid has not been reaching its destination on a regular basis.

Due to all of this, and particularly because of the fact that there are no effective decisions on the part of the international community on implementing the resolutions passed so far by the UN Security Council, President Tudjman stresses his utmost concern for further developments. To provide preconditions for peace the letter resolutely demands immediate implementation of international supervision and policing of the international borders of the Republic of Croatia with the Republic of Bosnia-Herzegovina and the Federal Republic of Yugoslavia, Serbia, and Montenegro that border on the protected areas as well as other border areas of the Republic of Croatia, since Croatia has been accused of being engaged in the internal struggles in Bosnia-Herzegovina.

His letter goes on to state that Croatia will remain determined to implement all relevant UN Security Council resolutions so as to have a lasting and stable peace restored as soon as possible in the former Yugoslavia. Despite everything, the international community must not be a hostage of these developments. It ought to concentrate actively on resolving the pressing problem of the protected areas in Croatia and the militancy of the local Serbs there instead. Croatia will be willing to extend the UN Protection Force mandate on a basis of clearly defined guidelines for the implementation of the Vance plan and the UN Security Council's relevant resolutions, President Tudjman's letter says.

President Tudjman Speaks on Current Issues

LD0306211293 Zagreb Radio Croatia Network in Serbo-Croatian 0916 GMT 30 May 93

[Address by President Franjo Tudjman at special National Assembly session in Zagreb to mark anniversary of Croatia's statehood—live]

[Text] Respected presidents and officials of the Chamber of Deputies and Chamber of Counties, ladies and gentlemen, deputies of both chambers of the Croatian State Assembly, respected guests and participants:

The third anniversary of Croatian statehood day marks a very short period of time. However, during this period of time, crucial and watershed events have taken place which will be recorded with gold letters in the entire history of the Croatian nation.

The importance of marking and celebrating historical anniversaries lies in collecting and imbuing with meaning those historic experiences on which national awareness should be cultivated in order for a nation to survive and achieve freedom and state sovereignty, and in order to integrate its own national and state entity into the international community of man in a meaningful and harmonious fashion. Furthermore, anniversary remembrances impose the need for a multifaceted review of the most important events in the past period in order to draw conclusions for solving problems ahead.

Taking our third anniversary in this light, I believe that it is justifiable to stress in the first place one important fact. This is that the overall current events, both in the territory of the former Yugoslavia and in the world, have confirmed the correctness of the policy which was formed in the framework of the first multiparty elections in the spring 1990 as the Croatian national and democratic movement with a clear goal—to leave behind the one-party communist system and to revive Croatian state sovereignty. Many factors then seemed to think that this was not only questionable, but also impossible to achieve, even dangerous for achieving multiparty democracy.

Some opposition leaders believed that it was inopportune to mount political opposition to the intentions of the Yugo-communist regime to hamper the political appearance of the Croatian national program. Such stands were caused in some people by wrong interpretations of internal and international circumstances, movements and forces, and in others by the belief that in the then Yugoslavia it was important to achieve multiparty democracy, but not nationalist state sovereignty. These same people opposed the referendum on Croatia's independence in May 1991 for more or less the same reasons.

I believe that these facts should not sink into oblivion for many reasons. Primarily, in order to recall that at the critical historic moments the Croatian nation displayed political awareness and maturity, while certain people lacked both faith in their own nation and political maturity, knowledge, and determination to take the correct stance at certain crucial moments. Taking into consideration these experiences, it is not surprising that this lack of awareness is still present in the lack of understanding of the state policy of sovereign Croatia in the very complex international circumstances. There have been similar occurrences later as well—from the proclamation of Statehood Day to the most important issues of building and defending Croatia and of the international recognition of sovereign Croatia.

By proclaiming 30 May as Croatia's Statehood Day, we primarily wanted to express in a symbolic way the reconciliation of all components of Croatia's historic movements leading toward its own state; we also wanted to express the determination not to allow the preservation of those state symbols which caused historical divisions and misfortunes, and which could stand in the way of the democratic Croatia. Taken as a whole, the Croatian nation—with the exception of few individuals—has in this respect, as well as in other most important issues, followed the purpose of the state policy which has, despite, all obstacles and unfavorable circumstances, turned out to be effective and most purposeful in the given international circumstances.

The historic results of Croatia's state policy, the victory on the military and political fronts in the homeland war against the Yugo-communist and Serbo-Montenegrin aggression, and the international recognition of the independent and sovereign state of Croatia, as well as admission to the United Nations, provide permanent foundations for solving all problems facing the Croatian nation and its state.

By its capability to establish and defend its independent and sovereign state, and also by its wise policy in solving the overall crisis in the territory of the former Yugoslavia, Croatia has gained reputation and respect in the turbulent world of today. There are (?still) those international factors which opposed the creation of the independent Croatian state, and were in favor of preserving the former Yugoslavia at any cost. Important changes have occurred in this respect. Although belatedly, they have understood that a more stable democratic system has been established in Croatia than in other postcommunist countries, and that such a Croatia—especially considering its geopolitical position and the policy it pursues—plays an important role in establishing peace and foundations for a new international order in southeast Europe. However, in addition to those who count on Croatia as an important factor in this part of the world, there are also those who advocate stands contrary to the interests of the sovereign Croatia. There are many reasons for this.

Some find it difficult to come to terms with the disintegration of Yugoslavia, others would like to build the new international order in this area in line with their own at times conflicting interests; still others, or some of those already mentioned, would like to deal with those in Croatia with whom it would be easy to implement their own concepts.

As I said on 23 March in my address to the Croatian Assembly, the creation of the sovereign and independent state of Croatia took place in a watershed historic period of the disintegration of the communist and socialist system and multiethnic states in the Euro-Asian part of the world. Circumstances for the establishment of the

independent Croatia were very unfavorable. First, because the entire international order was against the creation of new independent states. Second, all those international powers that were in favor of preserving Yugoslavia at all costs were against the creation of independent Croatia, and third, because the internal relations within the former SFRY were extremely unfavorable for Croatia.

Despite all adverse international circumstances and conditions in former Yugoslavia, today, on the third anniversary of the realization of the historical aspirations of the Croatian people, it is with dignity that we can look back at what we have achieved: We have not only created a state, but we have also preserved it on our own without any allies and any help from outside, only with the strength and awareness of our own people, with the readiness for sacrifices of the entire Croatian people abroad and in the homeland.

Following the international recognition of the state of Croatia by the international community, we have become a member of the United Nations, the CSCE, and many other international political, economic and financial institutions. The existence and future of Croatia as an independent state within the internationally recognized borders, has been guaranteed by the top bodies of the UN Organization, and is safeguarded by the strength of our own state and friendly relations with many countries. We can be sure of that, regardless of the difficulties facing us now and those that we may yet have to face.

However, we must still reckon with the fact that the struggle for the realization of full sovereignty on the entire Croatian territory, and also for the stability of a firm constitutional and legal order, will require fresh continuous efforts and possibly sacrifices.

Today, Croatia is experiencing a difficult period stretched between war and peace, which, I hope, is not going to last long. A period in which we are dishonestly and unjustly being blamed for the consequences of policies pursued by other sides, and by world factors who did not understand, or were reluctant to come to conclusions necessary to curb the Yugo-communist and Serbo-Montenegrin aggression, first in Croatia and then in Bosnia- Herzegovina, which assumed characteristics of unprecedented barbaric destruction and genocidal ethnic cleansing, threatening to escalate into a war to wider, even world proportions.

Instead of making the necessary decisions and taking effective steps to stop the Serb aggression in Croatia and Bosnia-Herzegovina, they condemned Croatia for standing behind the Croat-Muslim conflicts in Bosnia-Herzegovina and pursuing a hypocritical policy supporting the disintegration and division of Bosnia-Herzegovina. In order to justify old anti-Croatian stands and present pressure, the Croatian state authorities have also been accused of suppressing democracy in the country, and not allowing freedom of public media, i.e. limiting the freedom of speech. Unfortunately, such accusations are not coming only from some international circles notorious for their aversion toward Croatia, but also from some Croatian citizens. Those who are abusing the established Croatian democracy and take advantage of the anarchistic circumstances that arose in the wake of the collapse of the communist system and the horrors of war, freely and irresponsibly speak and write about anything to the detriment of their own country, which is in a state of war; this is neither customary nor permitted in any kind of democracy.

Pointing at such phenomena, I would like to stress that we know quite well that we have not yet reached the desired level in the protection of rights and freedoms. However, nobody who is impartial can accuse us of not persistently trying and aspiring to build full democracy, despite the war situation.

This has been confirmed to us on numerous occasions by envoys of the Council of Europe, the European Parliament, and other international bodies, as well as by many delegations from the United States and other non-European countries.

Due to Croatia's alleged fault for the conflicts between Muslim and Croat units in Bosnia-Herzegovina, today we have found ourselves exposed to political, economic and financial pressure on the part of certain international factors, with a hypocritical demand for the alteration of our international and internal policies. This pressure is being openly expressed, to a lesser or greater extent, from subtle hints to open warnings. They have even announced the possibility of imposing sanctions against Croatia as well.

In reality, silent sanctions have been applied against Croatia for some time now. Thus, export of goods and access to international financial centres have been made more difficult. For instance, the realization of already granted loans has been procrastinated, and there has been a certain reduction in humanitarian aid for displaced persons and refugees. All this is taking place despite the UN General Assembly resolution of 1992 on international aid for the economic recovery of Croatia. I personally recently addressed the most prominent world statesmen, stressing that Croatia is not requesting, and is not expecting, anything other than what has been granted to other countries in transition to a new political and economic system, which have been lucky enough not to have been exposed to such devastation—for example, Poland, the Czech Republic, Slovakia, Hungary, and others. Croatia deserves this through its constructive contribution to the resolution of the crisis on the territory of the former Yugoslavia, while its unfavorable treatment is in contrast to its vital interests as well as the long-term interests of creating preconditions for establishing a stable international order in this part of the world.

We have taken all possible steps to prove, through concrete arguments, that the accusations levelled against

us are unrealistic, so it is absolutely unjustifiable to place the blame on Croatia for someone else's deeds and incapacity. There are many reasons why part of the blame for the failure of the international community so far to resolve the crisis in Bosnia-Herzegovina is being ascribed to Croatia. It seems that disagreements between the leading countries of the European Community, the United States, and Russia on the nature of the measures to be undertaken, especially regarding military intervention that should and could have checked Serbian aggression long ago, have resulted in a certain degree of resignation and unwillingness to undertake any kind of responsible action. Instead of this, there are attempts to accomplish something through a policy of containing conflicts to the territory of Bosnia-Herzegovina, by the closure of borders, the establishment of safe havens for Muslims, by sanctions and humanitarian aid. By doing this they are trying to evade responsibility for their own failure and ineffectiveness, as well as their ineptitude and hesitation, by claiming that the Serbian side is not the sole culprit, but that the Croatian side is also to blame.

Muslims are still being portrayed only as victims, but they were left to their own fate during the Serb aggression.

The idea and desire—which still exist—to create any form of new Yugo-community on the ruins of former Yugoslavia plays a role in attitude of some international factors toward Croatia. They are recommending the revival of Yugo-market or the creation of the single economic space which would benefit everyone. They are discreetly recommending as first steps the improvement in trade exchange, the creation of a monetary or a customs union, including a regional community which could lead to a Europe of regions. Unfortunately, some individuals from the domestic political scene are joining in this game.

Croatia is ready, for its own benefit, to normalize relations with all neighboring states created on the territory of former Yugoslavia, as well as with all other European and world states. As a precondition for this, Croatia demands unconditionally that those wanting cooperation recognize the sovereignty, independence, and territorial integrity of the Croatian state within its internationally recognized borders.

This presupposes above all an end to the aggression and all assistance to subversive and rebel activities against the constitutional and legal system of the Croatian state.

There can be no talk about any reintegration process on the territory of former Yugoslavia. Croatia has for far too long been a victim of various unifications and integrations for it to accept joining a fresh state or regional community. [loud applause]

Croatia is ready to normalize its relations with everyone on the basis of mutual recognition, the recognition of full equality regarding state and minorities interests, and readiness for peaceful cooperation in promoting international order.

Honorable deputies of the Croatian Assembly, let me say something more about our stand regarding the crisis in Bosnia-Herzegovina. In addition to all other tragic consequences, the Serb aggression against Bosnia-Herzegovina has also turned Bosnia-Herzegovina into the most complex crisis hot-spot in the world today. Considering that, for geopolitical and strategic reasons, Croatia is vitally interested in the fate of Bosnia-Hercegovina, and that the solving of the Bosnia-Herzegovina crisis has a direct impact on Croatia's international relations and internal circumstances, it is necessary for me to comment in detail on the problem of the war and political crisis in Bosnia-Herzegovina. All the more so, because the alliance between Croats and Muslims in their joint resistance to the Serb aggressor has started falling apart over the past few months, and there have even been clashes between Croat and Muslim armed formations. I will therefore reiterate once again the basic guidelines of Croatia's state policy toward Bosnia-Herzegovina.

First, the Croatian state leadership and I personally recommended that the Croats in Bosnia-Herzegovina turn out at the [February 1992] referendum and vote for Bosnia-Herzegovina as a sovereign and independent state.

Second, Croatia was the first to recognize Bosnia-Herzegovina and appointed its ambassador there; in that way Croatia let everybody know that it cares for Bosnia-Herzegovina's successful defense against aggression and its preservation as a free and sovereign country, particularly because of geo-strategic links with it and the survival of the Croatian people there.

Third, the Croatian people from Bosnia-Herzgovina, aided by their mother country, were to first to rise against the greater-Serbian aggression. Having defended a larger portion of the area where they live, the Croats prevented the entire Bosnia-Herzegovina from becoming a constituent part of greater Serbia.

Fourth, having offered and lent comprehensive aid not only to Croats, but also Muslims, Croatia has prevented Bosnia-Herzegovina from completely becoming a victim of the aggression.

Fifth, in Croatia we have accepted and provided for more than half a million Bosnia-Herzegovina refugees, the majority of whom were Muslims. Also today, when many of them have left for other countries, and some of them have returned to their homes, we are still providing for more than 250,000 Muslim refugees. In that way, although we are ourselves facing grave economic problems we have contributed in absolute and relative sums more than any other country in the world to alleviating the consequences of the war on the territory of Bosnia-Herzegovina.

Sixth, we are profoundly convinced that the establishing of permanent and just peace in Bosnia-Herzegovina is a necessary precondition for a prosperous future not only in the territory of Bosnia-Herzegovina, but in this whole region of Europe. Moreover, the end of the war and crisis in Bosnia-Hercegovina has a direct influence on Croatia's economic revival, the redevelopment of tourism, and even on the final solving of the problem of the still occupied areas in Croatia.

On the other hand, we have for a long time witnessed the impotence, indecisiveness, disunity, and lack of understanding and aptitude to cope with the problem on the part of the international community—both major European states within the European Community, and the United States, Russia, and the United Nations. We have therefore invested great efforts and launched initiatives on our part within the framework of international diplomatic negotiations and other forums from Zagreb, Geneva, and Washington to the latest meetings in Split and Medjugorje held on 18 May.

Seventh, it was at our recommendation that the representatives of the Croat nation in Bosnia-Herzegovina first accepted the Vance-Owen plan as the basis for the future set-up of Bosnia-Herzegovina. According to the plan, all three nations will be guaranteed full equality and sovereignty at state level, and in provinces in which a nation has a majority.

The draft constitutional solution provides a basis for the continuation of tolerable coexistence and averts the danger of a people being threatened by other peoples. Due to this particular case, Croatian policy has won full international recognition from international factors as the only country that was fully cooperative and active in seeking solutions. It seems, however, that the Muslim leaders accepted the Vance-Owen plan only as a matter of hard necessity.

Eighth, there were several reasons for the split in the alliance between the Muslims and Croats in the struggle against Serb aggression. Primarily, this was due to insufficient mutual trust. The Croats are weary of the Muslims' intentions to create an Islamic state disguised under the motto of a civic state, while the Muslims are afraid that the Croats want to integrate their areas into Croatia. Representatives of both sides have failed to fully appreciate the need for cooperation for strategic reasons. Finally, the armed clashes broke out because of extremist elements on both sides, and even more because of the scenario to provocatively cause the Muslim-Croat war conflict at the moment when the international community was to pass decisions on military intervention against the Serb aggression.

Ninth, in this context, in the past months it was Muslim units which began the aggression against Croat villages and launched attacks on Croat units everywhere from Busovaca, Travnik, Zenica and [word indistinct] to Jablanica and Konjic, and attacks on Mostar where the political and military headquarters of the Croatian Defense Council is situated. There is evidence of earlier prepared plans for these actions; these moves can probably be explained in terms of the Muslims being unable to regain the territory captured by Serbs. An attempt to extend their territory at the expense of Croat areas has therefore been made, and even more precisely, to gain control in the territories in which population is mixed, but which were allocated to Croat provinces in the Vance-Owen plan. There is also evidence of activities among the Bosnia-Herzegovina Army command leading toward deliberate instigation of clashes with Croats in order to turn the attention of the international community away from the real problem of the Serb aggression and focus it on an alleged civil war for which everyone, and not only Serbs, should be blamed.

The Muslim-Croat clashes are certainly detrimental to both sides, although they are more so for the Muslims, and they are useful only for the Serb aggressor. Because of the anti-Croat campaign and the lack of understanding for the problem on the part of certain important international factors, the Muslim-Croat clashes could have resulted in consequences very detrimental for Croatia as well. We have therefore taken very resolute steps, within our power, to halt the clashes and remove the causes of possible future misunderstandings.

Hence, my initiative to visit Mostar, which resulted in the meetings in Split and Medjugorje, and was, as is known, attended by the co-chairmen of the conference on the former Yugoslavia, Lord Owen and Stoltenberg, EC Council of Ministers President Petersen, Commander of the Peace Force General Wahlgren, and also Muslim and Croat representatives from Bosnia-Herzegovina. In this contest I also talked to a Russian delegation, headed by Minister Kozyrev, in Split. At the meeting in Medjugorje conclusions were adopted on starting to implement the Vance-Owen plan amd restoring the civil authorities in Mostar, Zenica, and Travnik provinces, and also, it goes without saying, on putting an end to the clashes between Croiat and Muslim forces.

Unfortunately, although this resulted in a lull and continuing negotiations, the clashes are still continuing sporadically, as we can hear on the news. In connection with this, I sent a message to Mr. Izetbegovic via the Bosnia-Herzegovina ambassador in Zagreb to meet again and see why this [Medjugorje] agreement is not being implemented.

Croatia for its part will continue doing everything it can to find a path to establish permanent peace and a just future internal set-up of Bosnia-Herzegovina acceptable to all three nations. This is particularly hard to imagine after all the horrors of war, terrible destruction, unprecedented ethnic cleansing, and accumulated hatred, but it is perhaps still possible if each nation is sovereign in the areas in which it has a majority because that would be a guarantee for survival of the remaining members of that nation in provinces in which they are in a minority.

If in their efforts to keep all occupied areas, the Serbs do not accept solutions offered by the Vance-Owen plan and the latest proposal put forward by the five ministers of Security Council members, the United States, Russia, Great Britain, France, and Spain, then it seems that there will be some sort of international intervention. Even if it were just limited in scope, it would have positive effects which would accelerate the final resolution of the crisis not just in Bosnia-Herzegovina but in the entire former Yugoslavia.

The fact that Mr. Izetbegovic rejected the Washington plan drawn up by the five ministers and called on the Muslim people to continue the war effort, which some Islamic countries are supporting, has made the crisis in Bosnia-Herzegovina more complex.

For its part, Croatia will continue to give its support to efforts to find ways to end the war and achieve a peaceful solution within the framework, if neccessary, of a modified Vance-Owen plan.

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It should be pointed out in particular that Croatia has reached full agreement with Turkey regarding its policy on Bosnia-Herzegovina. On the basis of my agreement with President Demirel alone, a joint Croat-Turkish goodwill mission was dispatched so that it could exercise its conciliatory influence and prevent Muslim-Croat clashes.

Croatia will continue to provide, within its means, the maximum humanitarian assistance for all refugees from Bosnia-Herzegovina regardless of their nationality and religion. But it has the right to expect from the international community, and especially from Islamic countries, to obtain more in compensations than it has received so far.

Croatia has already issued a public statement saying that no Croatian Army units from the Republic of Croatia took part in the Muslim-Croat clashes in Mostar. It is regrettably that such accusations—which are very harmful for Croatia and which were denied by the president of the government Mile Akmadzci—were made by some individuals from the Muslim leadership and even on behalf of the Bosnia-Herzegovina Government.

Croatia must be concerned about the fate of the Croat people in Bosnia-Herzegovina as a whole, and especially in areas where Croats were in the majority and where the demographic picture is now being altered due to the movement of refugees, which is causing mistrust, suspicion and conflicts. For instance, about 150,000 refugees, including 100,000 Muslims, have arrived in the Mostar and Travnik Provinces from eastern and central Bosnia.

Finally, I think that the Croatian state policy towards the crisis in Bosnia-Herzegovina must be pursued on the existing foundations. In the such international situation, in which the main European states, France, Great Britain, Germany, Italy, and Spain, as well as the United States and Russia—each on its own and together within the EC and the United Nations—are pursuing their own pragmatic policies, without finding any other solution for the complex Bosnian crisis, Croatia must conduct a pragmatic policy for the protection of her strategic and state interests. These cannot be secured permanently without ensuring the survival of the Croat people and its territories in Bosnia-Herzegovina. Any other policy which would not take into account these interests and the concrete international situation, could be catastrophic for the Republic of Croatia herself.

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Finally, I think Croatia's state policy toward the crisis in Bosnia-Herzegovina must be pursued on existing foundations. Currently, the main European states—France, Great Britain, Germany, Italy, and Spain—as well as the

United States and Russia, each on its own and together within the EC and the United Nations, are pursuing their own realistic policies, without finding any other solution for the complex Bosnian crisis. In this situation, Croatia must conduct a realistic policy of protecting its strategic and state interests. These cannot be secured permanently without ensuring the survival of the Croat people and their territories in Bosnia-Herzegovina. Any other policy which does not take into account these interests and the specific international situation, could be catastrophic for the Republic of Croatia itself.

Ladies and gentlemen, I will now deal with the problem of how to regain areas under the protection of the peacekeeping forces and of resolving the Serbian question in Croatia. On this occasion, on the third anniversary of Croatian statehood, I have to reflect upon one of the main problems we face; that is, the restoration of legal and constitutional order across Croatia's entire territory.

Some facts should be recalled so these problems can be understood better. When democratic authority was established on 30 May 1990, all of Croatia was in fact under an occupation of sorts by the Yugoslav communist army. Our proposals, whereby we would have achieved sovereignty on the basis of a confederal reorganization of the SFRY, were not accepted. Greater Serbian aggression ensued by means of staging the Serbs' rebellion in Croatia, first by enlisting the help of the Yugoslav communist army and afterwards by its direct deployment.

In the homeland war imposed on us we clinched our victory through our successful strategy in the military, political, and diplomatic field. We checked the aggression and liberated three-quarters of our homeland. We were, however, forced into accepting the fact that the areas in which there was a majority Serbian population or where there was a considerable percentage of them had to be placed under the protection of UN peacekeeping forces.

We accepted this solution to prevent further destruction and war in Croatia and because the Vance-Owen plan envisaged the return of refugees in a peaceful way and the restoration of the Croatian legal and constitutional order across the entire territory of Croatia. Every subsequent development within the context of the given international circumstances and particularly the consequences of the war in Bosnia-Herzegovina testify to the soundness of this policy of ours.

In this context, it is essential that nothing cast suspicions on the legitimacy of our demands regarding the restoration of legal and constitutional order over Croatia's entire territory. Croatia's international recognition, culminating in its admission to the world organization of the United Nations over a year ago, radically changed Croatia's international position, From the point of view of international law, this also changed the problem of the area protected by the peacekeeping force.

The first agreement on this was reached between the SFRY and the United Nations. Now this cannot be the case since Croatia has become a fully established international element while the protected area is within the internationally recognized borders of the sovereign Croatia. The current mandate of the peacekeeping forces in Croatia is based on the following UN Security Council resolutions:

1. Resolution 743 of February 1992, which deployed the UN Protection Force [UNNPROFOR] in keeping with the peace plan—the Vance plan—regarding the protected areas of Croatia;

2. Resolution 762 of 30 April 1992, which established a joint commission for supervising the gradual return of Croatian authority to the pink zones;

3. Resolution 769 of 7 August 1992, requiring that the UNPROFOR take control of interstate border crossings in the UN Protected Areas [UNPA]; that is, the border between Croatia and Serbia, i.e. Yugoslavia.

4. Resolution 779 of 6 September regarding the withdrawal of the Yugoslav Peoples' Army from the Prevlaka peninsula and the UNPROFOR's receiving authorization to take control over the Peruca Dam.

5. Resolution 802 of 25 January 1993, calling for a cease-fire and other steps in the wake of Croatia's armed operation of 22 January 1993.

6. Resolution 807 of 19 February, endorsing the continuation of the UNPROFOR mandate until 31 March.

7. Resolution 815 of 30 March, extending the UNPROFOR mandate until 30 June this year. It unambigously and explicitly states, in the context of support for the efforts of the cochairmen of the conference on the former Yugoslavia to define their future status, that the UNPA are integral parts of the territory of sovereign Croatia.

8. Resolution 820 of 18 April on stepping up sanctions against Serbia and Montenegro, whereby the problem of UNPA is to be solved within Croatian sovereignty.

In his report of 15 May, UN Secretary General Butrus Butrus-Ghali explicitly says that the sovereignty and integrity of the state of Croatia must be respected. It also points out to the local Serbian leadership that the only foundation for a solution is their return to and their acceptance of Croatian sovereignty in return for guarantees for their minority rights. Finally, a solution should be found without changing the internationally recognized borders of the Republic of Croatia.

The UN secretary general also unambigously reiterates the provisions of Resolution 815, leaving not even the slightest room for the creation of some Serbian state on Croatian territory. He cautions that the Serbian side has exploited the UNPROFOR's presence as its permission to freeze the status quo under the UNPROFOR's protection. Ghali singles out the militant conduct of the

Serbs in the protected areas as well as their refusal to accept the provisons of the Vance-Owen plan and the UN Security Council's relevant resolutions as the fundamental reason for the UNPROFOR's lack of success so far.

The secretary general says that in the current situation, the UNPROFOR is unable to fulfill its mandate in Croatia, and he proposes the following options:

1. To proclaim the mandate as unenforceable and to withdraw the UNPROFOR forces;

2. To accept Croatia's views and to approve a strengthened mandate which would enable the imposition of the peace plan;

3. To leave the UNPROFOR where it is with an unchanged mandate and to strengthen its military capacity to a limited degree.

Regarding these proposals, we clearly stress that Croatia cannot accept any solution which would reflect the current status quo or would freeze the current situation. About 25 percent of Croatia's territory is occupied by rebel Serbs; this is blocking economic and traffic normalization in almost all of Croatia. This is a vital issue for Croatia and that is why it cannot be postponed any longer.

We created all the conditions for a peaceful solution by fulfilling all the demands on us by the international community. We passed laws and regulations securing and guaranteeing all rights for ethnic communities and minorities, including Serb local government in the two counties where they constitute a majority and their representation in the assembly. We showed our readiness for negotiations on normalizing relations with local Serbs and we established a state committee for the normalization of Serb-Croat relations which included representatives for Croatian Serbs.

In line with its democratic and peace-loving policies, Croatia proposes to the UN Security Council that the UNPROFOR mandate be extended by six months, but only on the condition that the UNPROFOR ensures the implementation of the Vance plan, the disbanding of the Serb paramilitary formations, the control of borders, and the return of displaced people. All this presupposes a general transport and economic normalization and the establishment of the Croatian constitutional and legal system over the entire Croatian territory.

This means that we are not ready to approve the extension of the current UNPROFOR mandate, which does not empower it to implement the Vance plan. [applause]

In connection with the Serb question in Croatia, it should be noted that an increasing number of Serbs are in favor of normalization. Some individuals, however, still do not see that normalization cannot be achieved as long as the Serb aggression against Croatian sovereignty is in progress, with all the crimes of the so-called Krajina. It is encouraging that there are an increasing number of signs that local people in the protected zones are ready for negotiations on a political solution. An insignificant minority of extremists, however—about 10 percent of the UNPA population—is blocking all efforts to achieve a peaceful solution of the conflict and problems. The majority of the population still falsely believes that Croatian authorities are preparing to persecute them.

Recalling that we have adopted the law on amnesty for those who did not stain their hands with blood, we must clearly state that we will hold those continuing to pursue their extreme policies [words indistinct] and those who are using force to sabotage a peaceful solution accountable in court for all the consequences. [applause]

The fact that the Security Council has established a war crimes tribunal should be a sufficient warning to everyone.

It is realistic to expect that conditions for a gradual and final reintegration of the protected areas with Croatia will be created in the next few months. Namely, as soon as the international community starts to patrol the borders in line with a decision on Bosnia-Herzegovina, not only weapons and volunteers but also mobilized people will not be able to come from Serbia. When there is an end to such deliveries to Krajina, then Serbs in Croatia will have to come to their senses and realize that the normalization of relations within the framework of sovereign Croatia should be accepted.

It can be expected that the Vance plan on the reintegration of the protected areas into the entire Croatian system will be implemented in a peaceful way and with the help of the peace-keeping forces. Clearly, if this is not possible, then—as any other state—we will use all means to reestablish the constitutional and legal system, because no state can tolerate a permanent rebellion on its territory. [applause]

Croatia's democratic authorities have not just the right but also the duty to establish the constitutional and legal system and to ensure the safety of all its citizens on its entire internationally recognized state territory. Esteemed presidents and deputies to both chambers of the Croatian Assembly, dear guests and those present here, let me also reflect on some other topical issues.

As I speak on the third anniversary of our statehood day about our path, about what we have achieved, the point we have reached and what we face, I should certainly say something about some other key problems apart from those I spoke about because of their international topicality. However, given the fact that a short while ago, on 23 March this year, in my missive to the Croatian Assembly in its capacity as the highest representative body, I spoke in detail about all the current problems and tasks facing us. So on this occasion I will draw your attention to just some of them because of their particular importance or some new circumstances surrounding them.

First, by constituting the counties' prefectures [poglavarstvo] we have embarked on the final stage of establishing new democratic authority, the state administration, and local self-government. The formation of the new municipal and city administrations and their executive bodies should be finalized as soon as possible so as to avoid any delay in resolving all questions in the transitional period.

Second, the County Assemblies and county prefectures face as a matter of priority a dual task. On one hand, they have to accelerate the effective resolving of all existential problems in the area of their counties by stimulating and developing local, municipal, city, or county self-government. On the other hand, at the same time they have to increase the uniformity and efficiency of state administration in every respect and particularly so in the sphere of the state ministries of defense, foreign and internal affairs, and finance. In this context, the prefects bear particular responsibility. This new institution should be shaped in such a way that its is authorized, by the nature of performing its duty, to be an authorized representative as well as protector, in the area of its county, of the legal and constitutional order of the State of Croatia as an entity.

In developing the new territorial system [of division into counties], we must prevent all intentions to turn counties into means of reviving the spirit of autonomy and of regional division of Croatia, which is defined as single and indivisible by the first article of the constitution.

Although we should not pay too much attention to teething troubles, we should also spot the signs of phenomena which could have a disintegrating effect on some units or even on the entire state.

In connection with this, I would like to draw your attention to the fact that some individuals in Istria interpreted the results of the county elections as if the time had come to work—I quote—on the concept of a specific Istrian nation.

When considering requests for redrawing county and district borders, all valid requests should be endorsed, but not those activated by personal or hidden political motives.

Third, in our efforts to build a new constitutional and legal order, something that was one of the principal tasks of the new democratic authorities that has over these three years been emerging as an increasingly pressing task, we have to aim to make it a systematic concern of all areas and individuals in the state administration as well as of the entire public, every citizen of Croatia.

At the top of the state administration one should speed up the adoption of already prepared fundamental economic legislation so that the new comprehensive legal and taxation system can be finalized as well as mechanisms for their implementation at all levels. The struggle against not only the remnants of the old bureacratic, communist methods and habits but also against the emergence of new ones; against every form of arbitrariness and violations of the legal and moral principles of truly democratic societies; against all forms of ostentation as opposed to a high level of inventiveness in rationality and cost-cutting in all spheres, in every operation and place; for respect for the rights and freedoms of every citizen as well as for his individual repsonsibility and for the fulfilment of his obligations to his own state.

All of this must become a systematic concern on a daily basis, the supreme moral principle and an expression of national awareness of every citizen of our country, or to be more specific, of the individual and general realiztion that all of us have to be responsible for how our work, acts, deeds,and words contribute to or damage the building of our recently established sovereign national state.

Fourth, the war and its consequences, that is, the inevitably large funds for the army and defence needs, resulted in a considerable reduction in the funds for culture in this accounting year. Nonetheless and in spite of unfavorable conditions, the Croatian culture has confirmed its vitality. This became obvious in exceptionally valuable efforts and considerable results in the publishing, theatre and exhibition activities. The presence of the Croatian culture at the international scene is of exceptional importance. In this respect, the exhibition on 5,000 years of Croatian art in several Italian cities and the PEN world congress in Dubrovnik and Hvar, together with traditionally successful Zagreb bianual festival of contemporary music, were of exceptional importance this year.

With regard to the exceptional wealth of Croatian cultural heritage and the role which the modern Croatian culture and art could have in bringing together democratic Croatia and the world, stimulus and encouragements should be given at all levels to various initiatives aimed at enriching original values and understanding of Croatian culture.

In the field of education, the school system, and science we are still in the first stages of the development of systemic and spiritual transformation and transitional activities for a truly democratic society. The legal deregulation of education, and specifically higher education, is becoming an essential need. In the organizational and ideological sense, it should enable the liberation from all layers on which the Marxist-Communist system was based. This demands a fundamental change in the philosophy of the educational system. Croatia, like other postcommunist countries, is facing the question of how to organize this system so that it is no longer the property of the state elite, which used to have the duty to educate the spirit in the conditions in which the state was almost the only financer of education.

Efforts should be accelerated to shape this very important component in the process of building a democratic Croatian state in accordance with the examples provided

by Western democracies, which view education and science as the most profitable investment for the future.

Fifth, in my last address to the Assembly, I said that we were facing the task of achieving the national economic revival after the national political revival. The economic difficulties we face are numerous and considerable, but they are not the results of bad policies of democratic authorities of the independent Croatia and its previous governments, as self-styled know-it-all people are constantly arguing because of their superficial and behind-the-scenes calculations, but are the results of objective circumstances.

Above all, we have inherited a socialist economy in a hopeless state of stagnation and collapse. We have inherited empty and indebted banks, impoverished enterprises, an economic structure full of socialist giants and plants which produced only enormous losses. We should also recall that we inherited hyperinflation, which was 58.5/8 percent in December 1989, and in that year, the year before we took over power, hyperinflation was 1,255.7 percent.

This situation was also burdened by consequences caused by the break-up of the Yugoslav market, the end of the socialist system, and finally the Yugo-communist and Serbian aggression, in which a third of territories was occupied. Because of all this, and in particular because of the war destruction and the obstruction of transportation and tourist and other activities, the Croatian economy was hit much harder than other postcommunist countries which are also going through a similar crisis.

When all of this is born in mind, then we have justified reasons to conclude that Croatia—together with its war and political miracle, which has been immortalized with the establishment, the defense, and the international recognition of this independent and sovereign state—has already started to achieve its economic miracle.

We have done everything to halt the fall in living standards as early as this year. Inflation last month was 22.9 percent. We must curb it substantially by the end of this year, so that we can adopt our new, stable, and convertible currency. We have already achieved significant results in the transformation of the communist economic system into the private, share-holding, and enterprising economy. Today, there are more than 300,000 true Croatian shareholders and private family entrepreneurs, excluding farmers. Private enterprises have started to forge business links with the world. Out of the entire profit achieved by the Croatian economy last year, 37 percent was created by private enteprises.

The economic transformation should be speeded up, malversation and embezzlement in the process of privatization should be prevented, but during the sale of many companies, the emphasis must not be so much on the financial gain, as on fulfilling obligations to keep the level of employment, to increase the national product and to pay taxes.

While planning and carrying out Croatia's economic revival in all areas and at all levels—from the government, through counties to municipalities and towns—concrete steps must be encouraged and undertaken to ensure the maximum employment, the increase in production and the increase in purchase potential, that is, the increase in the standard of living by increasing salaries.

The creation and defense of the independent and sovereign state of Croatia, and the fact that the Croatian people regained their self-awareness and dignity have unleashed the long-suppressed powerful energy and creative potentials of the Croatian people and all citizens of Croatia. Our confirmed readiness for sacrifices and self-denial, and the unity of all classes and generations of Croats in their homeland and abroad, aimed at creating and building their free state, are a firm guarantee that, despite all obstacles, we will achieve a Croatian economic revival and succeed in all the tasks facing us.

Respected deputies of the Croatian state Assembly, with that hope and in that spirit all Croats in their homeland and abroad and all citizens of the state of Croatia can celebrate their holiday today, Croatian statehood day. Thank you. [applause]

Federal

Serb Commander Asks UN Observers to Withdraw From Airports

LD0306164293 Belgrade TANJUG Domestic Service in Serbo-Croatian 1432 GMT 3 Jun 93

[Text] Belgrade, 3 Jun (TANJUG)—In a letter he sent today to UNPROFOR [UN Protection Force] commander General Lars-Eric Wahlgren, Colonel General Zivota Panic, chief of general staff of the Yugoslav Army, assesses that the presence of UN military observers at Yugoslav airports is no longer necessary and suggests that the observers should remain only in the Belgrade control zone.

The letter reads: "As a signatory to the agreement on the supervision of airports in the FRY, I am informing you that the federal government's committee for cooperation with peace forces has reviewed the situation concerning the supervision of airports and has reached the following conclusions:

"By passing Resolution 816, the right to use force in order to enforce the ban on flights in the air space of the former Yugoslav republic of Bosnia-Herzegovina was sanctioned; the reasons the FRY initiated the deployment of the UN observers at its airports have been changed completely. The right to use force renders superfluous the agreements based on political consent and makes the presence of the observers at the airports unnecessary and counterproductive.

"We, therefore, consider the withdrawal of the observers from the airports in Berani, Kraljevo, and Nis as a meaningful and wise move. Occasional deployment of observers at these airports is not acceptable to us, which means that our mutual obligations and rights ensuing from the observers' presence at the airports in Berani, Nis, and Kraljevo no longer exist.

"Regarding the further stationing and activities of military observers at the airports of Surcin, Batajnica, Ponikve, Pristina, and Podgorica, we are not yet asking for them to be withdrawn. We believe, however that—from the point of view of the interests and responsibility of the FRY—their presence is unnecessary. We expect you to consider this when you next review this problem in its entirety. We are also proposing that you consider the possibility that—as a temporary solution—the observers should remain only in the Belgrade control zone, from which they can monitor the situation in the FRY's air space.

"I am convinced that you will consider the above-mentioned facts with understanding," the conclusion of Panic's letter to Wahlgren says.

Seselj on Incident in Assembly, Milosevic, Panic

AU0406094793 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 3 Jun 93

[Dragan Milutinovic report]

[Text] The Serbian Radical Party [SRS] most harshly condemns armed gangs running wild on the streets of Belgrade and demands of the rule-of-law state that it settle accounts with the offenders so that no participant and instigator of unrest evades criminal prosecution and justice, SRS Leader Dr. Vojislav Seselj said at a news conference today.

Seselj described the incident in front of the Assembly building as showing a criminal attitude and mental disturbance on the part of a political party that has lost all chance of coming to power.

Speaking about the social program, the SRS leader warned the federal and republican governments that they are being slow to solve social problems and that no events can serve as an excuse to divert attention from the people's increasing poverty. The SRS is going to initiate a debate about social problems both in the federal and the republican parliaments.

As regards Dobrica Cosic and his address to the public, Seselj's comment was that Cosic is losing moral direction, and that, in Seselj's opinion, we shall soon again have a great and good writer whom we shall read with pleasure.

In reply to a question by foreign reporters about a coalition with the Socialists and whether he is now the most prominent person after Milosevic, Seselj said that such ladders of power are made by the people and, regarding Milosevic, that, objectively speaking, he is at the moment the strongest political figure in Serbia, backed by a strong political party, a large number of voters at legal elections, and a patriotic orientation that the SRS supports. However, he recalled that the Radicals are the political opponents of and the opposition to the ruling party, with which they are on the same wavelength only as regards patriotism and preserving the Serbian state.

Commenting on events in the Assembly building, Seselj said that Branislav Vakic was only responding to a provocation that had been planned in advance, as Mihajlo Markovic provoked Vakic with various insults for two days. According to Seselj, the leaders of the Serbian Renewal Movement found in Vakic a possibility for manipulation. The last straw was Markovic telling Vakic that he was a Ustasha. Seselj claims Vakic did not hit Markovic, but just pushed him in the chin. Vakic was particularly provoked by being called a Ustasha, because he had spent two years on the front fighting the enemy, so Seselj said this was a understandable reaction.

The SRS leader condemned the shooting incident in the Vranje barracks. He also said he expects significant changes in the top military leadership, and General Zivota Panic and members of his family to be tried for embezzlement.

On 'Tendency Toward Fascism'

AU0306160993 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 3 Jun 93

[Dragoljub Stankic report]

[Text] Not a single perpetrator of a criminal act should go unpunished—not for murder, not for wounding, not for material damage, warned Vojislav Seselj. According to Seselj, the riots are the result of a criminal attitude that all means are allowed in politics. As for Cosic addressing the public, Seselj asked why he did not state everything he had said at an earlier date. Seselj believes that it is best that Cosic go back to literary works, which we will read with pleasure.

Commenting on relations with the ruling party and the Serbian president, Seselj said that Milosevic is objectively the strongest personality that has a real power behind him—that is, a strong political party.

[Begin Seselj recording] We are his political opponents and we have always claimed this. But, we also stressed that we admire Mr. Milosevic as a prominent Serbian patriot and a man who is doing everything in his power to contribute to his own people and solve their problems. [end recording]

Answering accusations that his party has a tendency toward fascism, Seselj said that there is no fascist movement in our midst, but that the party which breaks into the assembly by force, riots in the streets, and shoots at the police does have some elements of fascism. Seselj called for a coordination of pensions with the cost of living and leveling of salaries of the working force. If the salary of the president of the republic is 100 German marks, then the lowest salary in the republic must not be lower than 33 German Marks, believes Seselj.

Draskovic, Wife Begin 60-Day Prison Sentence

AU0306174893 Belgrade BORBA in Serbo-Croatian 3 Jun 93 p 1

[Unattributed report: "Vuk and Danica Draskovic Each Get 60 Days in Prison"]

[Text] Belgrade—Because of endangering the public peace and order, the criminal judge of the communal court in Masarikova Street gave Vuk and Danica Draskovic the maximum penalty allowed for this offense—60 days in prison each. As BORBA has found out from reliable sources, the Draskovices were taken last night to the prison in Padinska Skela to serve their sentences.

According to witnesses, the leader of the Serbian Renewal Movement [SPO] was virtually carried into court by two young men. He was visibly limping. Danica Draskovic was also complaining about being beaten and maltreated. As she said, she received blows to her back, but, according to eyewitnesses who included members of the SPO who were released last night, she looked visibly better than her husband.

Associates of the Draskovices also found themselves up before the judge. They, too, claimed that they were beaten during their arrest, as was everyone else who found himself behind bars after the tragic unrest in front of the Federal Assembly.

BORBA has also found out that they, too, got 60 days in prison, and that criminal charges will be brought against Vuk and Danica Draskovic and the others.

According to a statement by the Serbian Ministry of Internal Affairs and the Socialist Party of Serbia, those mainly responsible for the tragic outcome of the demonstrations are the SPO and Vuk Draskovic. The Democratic Party condemned both the violence used by the police and the unbefitting SPO demonstrations. However, seven opposition parties: the Serbian Renewal Movement, the Serbian Liberal Party, the Democratic Party of Serbia, the GSS [expansion unknown], the NRS [the Peoples' Party of Serbia], and the NI [expansion unknown] demanded the urgent release of Vuk and Danica Draskovic, or rather all of those arrested after the unrest in front of the Federal Parliament. If this demand is not met, the democratic opposition of Serbia will make a decision on measures that will be undertaken jointly. Expressing their deepest remorse over the death of the young policeman, the representatives of these parties name the authorities and their totalitarian communist policies as the main cause for the blood that was once again spilt among Serbs.

Judge Denies 60-Day Sentence

LD0306143993 Belgrade TANJUG Domestic Service in Serbo-Croatian 1400 GMT 3 Jun 93

[Excerpts] Belgrade, 3 Jun (TANJUG)—No proceedings against Vuk Draskovic and Danica Draskovic were held in the municipal court in Masarikova Street [in Belgrade] last night, and they were not sentenced to 60 days of imprisonment, a city judge for minor offenses Tomislav Zekovic told TANJUG today. [passage omitted]

Zekovic said he does not know where Draskovic and his wife are at this moment. He then added that 106 demonstrators passed through municipal courts. City judge for minor offenses Zekovic said that 100 people were released after they had been detained and proceedings against them were initiated, and "only Zvonimir Komnenic was sentenced to 15 days in prison." [passage omitted]

Draskovic's 'Life in Danger'

AU0306145293 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 3 Jun 93

[Text] The Serbian Renewal Movement [SPO] organized a news conference at which People's Deputy Veselin Pavicevic, the party's health council chairman, discussed the condition of Vuk and Danica Draskovic. Party members who were present when the SPO leader was apprehended also spoke. Our colleague Srdjan Savic has just returned from the news conference.

[Savic] Dr. Veselin Pavicevic announced that the SPO has unofficial but reliable information that the condition of Vuk and Danica Draskovic is extremely serious, which is a consequence of the torture carried out when they were detained and later questioned.

Pavicevic claims that after the arrest, Vuk Draskovic was beaten by at least 10 individuals in the building of the Interior Ministry of Serbia. At the moment, his condition is such that his life is in danger and there is no information as to whether he has received medical attention. Draskovic's left arm and right leg are fractured, his teeth have been smashed, and his spine has been injured, so he cannot move or speak, said Veselin Pavicevic.

He added that urgent medical attention was requested through the Health Ministry, as well as a team of doctors that could examine Vuk Draskovic and offer treatment.

Nada Boskovic, one of those present when the arrest was made, said that Danica Draskovic was beaten by policemen both during the arrest and in the car. Cedomir Edrinic, member of the Main Committee of the SPO and one of those arrested at the party's headquarters, said that he saw Vuk Draskovic with his arm and leg broken and that if he does not receive medical attention today, then this could have life-threatening consequences for him but also for the Serbian people.

Lawyers Denied Contact

AU0406122493 Paris AFP in English 1154 GMT 4 Jun 93

[Text] Belgrade, June 4 (AFP)—The whereabouts of opposition leader Vuk Draskovic and his wife, Danica, remained a mystery Friday [4 June] ahead of a midnight deadline after which they must be either released or indicted, opposition sources said.

Draskovic's Serbian Movement for Renewal (SPO) has said the two were in "extremely serious" condition after violent police beatings during and after their arrest early Wednesday [3 June] in a crackdown on the opposition after an anti-government protest turned violent.

AN SPO spokesman told AFP Friday that two lawyers went to Belgrade central prison Friday morning, after reports that Draskovic and his wife, also one of the SPO leaders, were being held there.

But the lawyers were not allowed to make contact with the Draskovics nor could they obtain any details on them.

The SPO is not even certain that the couple is being held in the central prison, the spokesman said.

The 72-hour legal detention limit runs out at midnight Friday, by which time the Draskovics must either be released from custody or appear before a judge for charging.

The SPO has pressed the Serbian Health Ministry to urgently allow an independent medical team examine the Draskovics but so far to no avail.

The couple were arrested at SPO headquarters after violent clashes between demonstrators and anti-riot police broke out in central Belgrade during a protest over a decision by legislators loyal to hardline Serbian President Slobodan Milosevic to oust Yugoslav President Dobrica Cosic.

The trouble left one policeman dead and 23 people injured.

The Belgrade prosecutor's office asked Serbia's Constitutional Court Thursday to ban the SPO, accusing the party of fomenting unrest in a bid to "change constitutional order".

Serbian hardliners like Vojislav Seselj, leader of the ultra- nationalist Serbian Radical Party and a staunch Milosevic ally, have urged authorities to take a strong line against Draskovic, sparking speculation that he will be kept in detention until trial.

Seselj said he should be "punished severely" while Dusanka Djogo, a leader of the Serbian Socialist Party, accused Draskovic of supporting a "bloody showdown to overthrow legitimate power".

In other developments, the Belgrade daily POLITIKA said the Yugoslav Government was planning to distribute ration cards should the U.N. embargo against Belgrade cause shortages of basic goods, though Trade Minister Miroslav Ivanisevic did not feel rationing was needed yet.

No milk or butter has been available to buy for the last four days, while sugar, flour and detergents have been hard to find for months.

World Bank Postponement of Decision on Status Proposed

LD0306152093 Belgrade TANJUG in English 1448 GMT 3 Jun 93

[Text] Belgrade, June 3 (TANJUG)—The Federal Republic of Yugoslavia has proposed to the World Bank to discuss Yugoslavia's status and obligations to that international institution on December 14 instead of June 14 this year, TANJUG learned on Thursday.

A similar request was also sent to the International Monetary Fund (IMF) in May.

The IMF decided last November and the World Bank last February that the Federal Republic of Yugoslavia and the other successors to the former Yugoslav Federation should fulfill by June 14 the conditions set for the recognition of their membership in those international organizations.

The question of membership in the World Bank is connected with a country's status in the IMF and a decision adopted by the World Bank would be pointless if the IMF accepted Yugoslavia's proposal and postponed the decision for six months.

After the European Community recognized the former Yugoslav Republics of Slovenia and Croatia as independent states on January 15 last year and Bosnia-Herzegovina on April 7, the disintegration of the six-member Yugoslav Federation became official.

In April 1992, the Republics of Serbia and Montenegro proclaimed the Federal Republic of Yugoslavia as the successor to the former Yugoslav Federation.

International financial organizations have not so far recognized the status of any of the former Yugoslav republics automatically and the IMF set six and the World Bank four conditions for such recognition.

The essence of the conditions is the acceptance of a model proposed by the IMF and the World Bank for a division of the membership quota, credits and other obligations towards the two organizations.

Although the Federal Republic of Yugoslavia is prepared to meet its obligations, it is practically prevented from doing so under the conditions of international sanctions imposed against it, especially in relation to the World Bank, to which it owes about 200 million dollars according to unofficial reports.

Yugoslavia has stated more than once that it was ready to settle its debts to the IMF and to discuss the pace of debt-servicing with the World Bank.

Due to the blockade of all financial transactions with the Federal Republic of Yugoslavia, the country's current debt to the IMF has amounted to 40 million dollars.

With an approval of the United Nations Sanctions Committee, Yugoslavia could easily settle these debts.

Serbia

Prosecutor's Office Asks Court To Ban SPO

AU0306155193 Paris AFP in English 1500 GMT 3 Jun 93

[Text] Belgrade, June 3 (AFP)—The Belgrade Prosecutor's Office asked Serbia's Constitutional Court Thursday [3 June] to ban the Serbian Movement for Renewal (SPO), the main opposition party to President Slobodan Milosevic.

Acting following violent demonstrations which broke out Tuesday [1 June] after nationalist followers of Milosevic in parliament ousted Yugoslav President Dobrica Cosic, the prosecutors accused the SPO of being "the instigator of a series of actions openly aimed at the violent change of the constitutional order."

Interior Ministry Bans Nis Renewal Movement Rally

LD0406122093 Belgrade TANJUG Domestic Service in Serbo-Croatian 1145 GMT 4 Jun 93

[Text] Nis, 4 Jun (TANJUG)—The Nis city secretariat of the Serbian Ministry of Internal Affairs first approved and then officially banned a rally organized by the city board of the Serbian Renewal Movement [SPO] in the city, the SPO board has disclosed.

The rally, which was due to be held in the Nis fortress this evening, and which, according to its organizers, was due to promote the SRPSKA REC newspaper, was banned in order to prevent threats to the safety of people and property, the explanation of the ban stresses.

The reason for the ban on the rally is the fact that, the explanation states, the organizer of the Nis rally is the same person who, on 1 june in belgrade, put public peace and order in jeopardy, when one person was killed and several wounded.

Eight Serb Soldiers Killed in Barracks in Vranje

AU0406073693 Belgrade Radio Beograd Network in Serbo-Croatian 0700 GMT 4 Jun 93

[Text] A serious tragedy in which eight people, an officer and seven soldiers, were killed took place in the barracks of the South Morava Brigades in Vranje at about 0200 [2400 GMT] yesterday. This was stated by the Information Service of the General Staff of the Army of Yugoslavia. The wounded soldiers, who are receiving treatment at the military hospital in Nis, are well and are not in mortal danger. This was stated by Dr. Luka Vukotic, head of the surgical unit of the military hospital.

Following the tragic event in the barracks of the Army of Yugoslavia in Vranje, the government of the Republic of Serbia held an extraordinary session. The government paid deep respect to the killed members of the Army of Yugoslavia and sent sincere condolences to their families at the time of profound grief.

Members of the government concluded that it is necessary to carry out a thorough investigation and drastically punish all those who failed to take security measures and who are responsible for the circumstances that led to this.

Macedonia

Embargo Reportedly Violated Through Macedonia

AU0406114293 Pristina KOSOVA DAILY REPORT No 104 in English 27 May 93

[Unattributed report: "Eye Witnesses Testify on Embargo Violations"—issued by the Democratic League of Kosovo]

[Text] Eye-witnesses told the Democratic League of Kosovo branch in Han and Elezit that cistern trucks are entering the border from Macedonia every night. Large amounts of oil are penetrating this side of the border from Macedonia beginning from p.m. 0900 [1900 GMT] and lasting all night. Cisterns and other trucks carrying various commodities were especially noted during the night between 24 and 25 May, when around 130 big transport vehicles passed the border leading toward Serbia. Trucks carry mainly Macedonian plates, eye-witnesses indicate.

Official Says Nation Ready To Accept U.S. Forces

AU0306203393 Paris AFP in English 1955 GMT 3 Jun 93

[Text] Skopje, June 3 (AFP)—Macedonia is willing to accept a U.S. proposal to deploy American forces on its territory to prevent an escalation of the Yugoslav war, a senior official said Thursday [3 June].

Parliamentary Speaker Stojan Andov said Skopje would prefer the conflict to be resolved diplomatically, but said Macedonia would accept U.S. forces to prevent the conflict spreading.

"If the aim of any deployment of U.S. troops is to prevent the spread of the war, I think they will be accepted with understanding," he told a press conference.

Andov was speaking after a meeting with a delegation of U.S. senators to the small former Yugoslav republic, on the rim of the 13-month-old conflict in Bosnia-Herzegovina.

The head of the U.S. delegation Senator Carl Levin, a member of the Armed Services Committee, said he wanted to determine Skopje's willingness to accept U.S. forces along its border with Serbia, and also to discuss their position in case of U.S. action in Bosnia-Herzegovina.

Macedonian opposition parties have called consistently for American military intervention to end the war in Bosnia-Herzegovina, and for U.S. forces to be deployed in Macedonia.

The Party of Democratic Change, representing Macedonia's 20 percent Albanian origin population, called Thursday for U.S. forces to be deployed in Macedonia and in Kosovo, a formerly autonomous Serbian province whose population is 90 percent ethnic Albanian.

Montenegro

Yugoslav Navy Statement on Italian Boat Incident

LD0206224393 Belgrade TANJUG Domestic Service in Serbo-Croatian 2116 GMT 2 Jun 93

[Text] Herceg Novi, 2 Jun (TANJUG)—Following the arrest of an Italian fishing boat and its crew who fished without authorization, the navy information service has released the following statement:

At 0615 today, while carrying out its regular task of policing the state border across the sea, border patrol boat No. 177 of the navy of the Yugoslav Army spotted several vessels at sea whose speed suggested they were fishing boats, one of which was within Yugoslavia's territorial waters.

In the course of their approach the crew of the border boat identified the fishing boat as the "Antonio Simpotinina," registered in the port of Manfredonia. It was fishing within our waters without authorization. The crew of the Italian fishing boat refused to heed a call to come to a halt as they took flight toward the open sea and international waters. Since the Italian fishing boat failed to heed the call to stop after being warned by signal bullets, the crew of the navy patrol boat used firearms in keeping with the code of practice of border service, following which the Italian fishing boat came to a halt.

The crew of the navy border boat established that two crew members had been injured. They were immediately taken to the patrol boat where they were given first aid and afterwards all measures were taken to transfer them to the Spanish missile frigate "Andalusia," which was closest to the scene and had a doctor aboard.

The Italian fishing boat and its other crew members were taken to the port of Bar in order to carry out further procedures, the statement says in conclusion.

Vessel Leaves Port

LD0306171393 Belgrade TANJUG Domestic Service in Serbo-Croatian 1616 GMT 3 Jun 93

[Excerpt] Bar, 3 Jun (TANJUG)—The Italian fishing vessel, "Antonio e Sipontina," which was fishing in Yugoslav territorial waters without proper authorization and which was taken to the port of Bar, was allowed to return to her port of Manfredonia at 0200 this morning.

Branko Koprivica, head of the Bar port authority, confirmed that the Italian fishing vessel, with three crew members, left the port of Bar for Italy at 0200. The vessel was escorted by a Yugoslav Navy patrol boat. [passage omitted]

Article Views Western Policy in Bosnia

AU0306113293 Podgorica MONITOR in Serbo-Croatian 28 May 93 p 14

[Article by Dragan Veselinov: "The Victory of Gunboats"]

[Text] It could easily happen that the mess in Herceg-Bosna ends with the victory of Croatian and Serbian guns; the West has got completely confused. Having signed the Washington agreement on the political recognition of the military situation in Bosnia and having announced that it will be a confederation, the West capitulated and it is clear now that it was a big collective bluff.

From the very beginning of the Yugoslav catastrophe, the West has been making big mistakes, the three biggest being the following: The West has never supported the opposition in Serbia, which it should have done, although this might have cost several years of patience and investment. It has only accepted Milosevic as its partner in negotiations and thus becoming dependent on his will. Second, the West has never dared to protect by force the principle of the stability of borders and it did not protect Croatia from Belgrade's aggression. Neither did it protect the Croatian Serbs by creating autonomy for them in Croatia. Third, the West did neither protect

the independence of Bosnia-Herzegovina nor did it try to eliminate the nationalist parties from politics. It used only one of its political cards—the anti-Serbian—but without the courage to attack Milosevic either from abroad with tanks or from inside using the democratic opposition. That is the reason why Milosevic has been able to play with the West. When he is deceived by Karadzic, Warren Christopher does not know what to do, and Europe laughs.

Imposing sanctions against Serbia and Montenegro was also a bad move, not only because they have been making the regimes in Belgrade and Podgorica fascist-like, but also because they have been raising hope in a new populism—that the dissatisfied people would oust Milosevic.

The only thing Washington, Moscow and Brussels have achieved by giving up the Vance-Owen plan is to strengthen the positions of Karadzic and Seselj. Milosevic was punished in the worst possible way—by people worse than himself. After the victory "the wretched Radovan [Karadzic]" had achieved in his stubborn Bosnian referendum, the West made a "salto mortale" [full somersault] with Christopher's recognition of this plebiscite. This will cause distrust in many people. Not only did the Vance-Owen plan fail, but the West simply left Bosnia with its cowardly policy of threats without strikes.

Pale feels independent now. It feels that it has its own power, which Belgrade cannot suppress without many victims. Karadzic succeeded in creating a state not only against Izetbegovic and Boban, but also against Belgrade! Belgrade could, of course, destroy it, but all war politicians in Belgrade would, in this case, hide into mouse holes like traitors. The suspension of help with war supplies for Karadzic's Serbs from Belgrade would cost Serbia an influx of armed highlanders, enraged, hungry, unemployed and craving revenge. Soon they would meet their ancestors in Serbia, the colonists, Seselj and domestic nationalists. It could come to a pure civil war between single Serbian clans, without any ideological background. The Bosnians would unfurl Karadjordjevic's [ex-royal family] flag, and Milosevic Nemanjic's [ex-royal family] because he would not even leave his house with the communist.

The Serbs from Pale can really declare their "Serbian republic of Bosnia-Herzegovina" a principality, they can call for Tomislav Karadjordjevic and get on Milosevic's nerves. That is what the Belgrade opposition did with Aleksandr. The self-reliance of Karadzic's power is reflected in Belgrade's incapability to give up the war option. Why should Karadzic connect its "Serbian republic of Bosnia-Herzegovina" with greater Serbia if he can play the big boss himself?

With a confederal Herzeg-Bosna the Muslims will certainly lose. Zagreb and Belgrade, encouraged by the Moscow-Washington acceptance of gunboat diplomacy in Europe, will oppress the Muslims until they have either expelled them from Bosnia or buried them. Washington should not even try to back out of this business by giving Izetbegovic weapons, because Europe, full of good Christians, will support Zagreb and Belgrade in order to break a Muslim state. Nobody wants a Muslim state in this area. Germany wants to enter as deeply as possible into the Balkans through Croatia, and England and France want to achieve the same thing through Serbia. All of them are interested in keeping the Turkish paws on the Bosphorus and not allowing them to approach Vienna once again. Both, Tudjman and Milosevic have been accepted as negotiators in the West in spite of their macabre regimes, they had already been accepted before the confederalization of Herzeg-Bosna was decided in Washington. Europe will entitle them to a new Crusade contrary to the American will.

Izetbegovic is now discovering that Bosnia-Herzegovina cannot be led on a Muslim nationalist basis and be a Muslim island in Europe. It cannot be led either by Serbian or Croatian nationalism, but the war can be won with their help. As soon as a war with nationalist aims starts in Europe, hundreds of years of political history, culture and myths begin to boil. Unpaid bills are presented. The Muslims had no chance in such a constellation.

By the Washington agreement, the question of war in Bosnia was transformed into the question of the future of Bosnian Muslims. If they keep on fighting, Milosevic will not have to open the Kosovo problem. If the Muslims remain silent, they will lose anyway, but Milosevic will be forced to show his cards in Kosovo—but Muslims do not have to be interested in that. Belgrade is happy now. Milosevic has turned out to be a tumbler pigeon, the world will not attack Bosnia, a territory is gained. Its formal status can be waited for. The Croats started fighting with the Muslims and they will cooperate with the Serbs. If the United Nations impose sanctions on Croatia, too, Belgrade will have an even easier task—it will be able to smuggle together with Croatia. Belgrade is spreading its net in Kosovo, Seselj's people are already there. It will come to incidents, but it is still early for a conflict because Greece has not expressed its wishes yet. Only the Belgrade "opposition" is ready to immediately follow the sound of the trumpet. The only thing to be waited for is the July harvest of wheat. If there is enough bread, it is clear what will happen with the remaining oil and ammunition.

Kosovo

Demaci Gives Reason for Ending Hunger Strike

LD0306150393 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 3 Jun 93

[Text] In Pristina, Adem Demaci and 22 journalists and writers of RILINDJA ended their 230-hour hunger strike today at 1300. Demaci stressed in a special public statement that the representative of the permanent CSCE mission mediating between the Serbian and Kosovo sides has conveyed the Serbian side's assurances

and its willingness to meet the demand of the strike committee that RILINDJA be registered and that Albanian-language publications be published without being subjected to censorship.

Churkin's Visit Seen as 'Further Repression'

AU0406112793 Pristina KOSOVA DAILY REPORT No 111 in English 3 Jun 93

[Commentary of the Kosova Information Center (KIC) on the visit of Vitaliy Churkin to Kosova: "Churkin's Visit to Kosova—An Impetus for Further Repression"]

[Text] The recent visit of Russian Deputy Foreign Minister Vitaliy Churkin had but one result: an increased Serbian repression against the Albanians in Kosova as from the next day of his departure. His statements in favor of Serbs, and the attempt to legitimize the rule of Milosevic over Kosova, without mentioning in a single word the systematic repression of the recent years (a fact emphasized by numerous international institutions, governments, parliaments, and human rights organizations) gave an impetus and mobilized the apparatus of the state violence in Kosova.

Repression reached new peaks through maltreatments, arrests, and beatings, while the Serbian propaganda machinery poured new venom against the Albanians.

And while the Albanians were suffering as a consequence of this, Vitaliy Churkin, again in an interview for Radio Moscow (according to a TANJUG report of May 25, 1993) after his visit to Kosova said: "During my stay to Kosova, including even the talks with the CSCE representatives, I came to a conclusion that most of the accusations against the Serbian side on maltreatment and persecution of the Albanian are simply false."

After this statement, which must be an official stand of the Russian diplomacy towards Kosova, Albanians diplomacy towards Kosova, Albanians in Kosova have strong reason to doubt over the right position and good offices of his visit to Kosova. Furthermore, this statement on Radio Moscow, Churkin's involvement for a fair, balanced and impartial policy and diplomacy towards former Yugoslavia becomes a problem, not to say a diplomatic farce.

We'd like to think that the statement made by the Russian diplomat to be but "a momentary impression " as a result of the monstrous Serbian propaganda, and not a stand taken the present Russian diplomacy. We are aware of the ties, sympathies, and historical interests of Russia towards Serbia, and this is a matter to be considered by the present Russian diplomacy itself. However, it seems that in spite of the changes that occurred in the Balkans and Europe, the stand of the Russian diplomacy towards the Balkan issues, particularly towards the Albanians, has remained in the position of the Czarist Russia and Communist Russia diplomacy. Supporting the Serbian repressive policies in Kosova is not only a moral issues; it means supporting an expansionist policy of the most extreme social-nationalism, and by this the tendencies for spreading the war to the Balkans and wider.

Separatists Trying To 'Internationalize' Problem

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[Milivoj Mihajlovic report]

[Text] The chairman of the regional organization of the Socialist Party of Serbia [SPS] for Kosovo and Metohija, Zivorad Igic, has said that Albanian separatists are continuing to be active. The target of their attacks, said Igic, are members of the Interior Ministry. The separatists are trying to internationalize the problem of Kosovo and Metohija, particularly after the five ministers' plan adopted in Washington.

Igic considers that the concept of global secession seems to have been abandoned, so their appetites boil down to the so-called independent republic of Kosovo. Igic warns that nothing has changed in the attitude of the majority of Albanians toward Serbia. They still boycott the institutions of the system and are trying to establish a parallel authority. He also warns that programs for Kosovo are not as a rule being realized.

The debate has stressed that measures for establishing a national balance on Kosovo and Metohija must be taken as quickly as possible, because, as Vojislav Zivkovic said, Kosmet will be lost without this. Opinions have been voiced that Serbia should state clearly what it plans to do in Kosmet. [Name indistinct] Zaneli proposed that the Serbian Government should form a coordinating body to approach the problem systematically and on a long-term basis.